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foreign trade

CANADA

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cover This nonchalant workman is painting a bridge over the Moisie River, part of the railway being built from Seven Islands, Quebec, to Burnt Creek, to bring out iron ore. The railway, which is to be officially opened to traffic next week, represents a big postwar investment, largely of U.S. capital. For an authoritative report on postwar foreign investment in Canada and Canadian investment abroad, turn to page two.

—NFB Photo.

Canada---Borrower and Lender

Since 1945, foreign private capital invested in Canada has increased by over $4 billion, but over the years the relative importance of foreign capital in our economy has been declining. In the same period, Canadian capital invested abroad has risen steadily, but less spectacularly.

E. B. CARTY, *International Trade Division, Dominion Bureau of Statistics.*

IF POLONIUS' ADVICE TO HIS SON, "neither a borrower nor a lender be" had been generally followed, the world as we know it today would not exist. The business economy in which we live was created only through the combined resources of many savers, and the wealth to which it has given rise has been in turn a source of the savings to finance additional growth and development. This process has characterized international as well as domestic economic relationships. Figures of Canada's international investment position released recently indicate the extent to which Canada has been both borrower and lender.

These figures have a special significance for all who are interested in foreign trade. Without international lending, each country would have to achieve an exact balance between its aggregate imports and exports of goods, services and donations. We sometimes overlook the fact that even such normal commercial transactions as the extension of short-term credit to or from foreign customers and the holding of bank deposits in other currencies represent international lending. Most international lending, however, takes the form of long-term investment and it is this type which is discussed in this article.

Canada's record as a borrower goes back to the earliest days of our economic history. The canals and railways which were the basis of our national development rested almost entirely on the provision of British capital. Since the First World War, however, the United States has been Canada's principal source of external capital and today our gross liabilities to that country account for about $9 billion of our $12 billion gross external liabilities. By far the largest part of these liabilities are represented by foreign long-term investment in Canada. Details of these investments are given in Table I.

Foreign investors now own about one-tenth of the funded debt of Canadian governments and municipalities and about one-third of the broad field of Canadian industry and commerce. Their investment represents only a negligible part of such other forms of Canadian wealth as farm, residential, and personal property. The proportions have been declining. Before the war about one-quarter of government debt was in foreign hands; so was the ownership of some 38 per cent of Canadian industry. Because of the concentration of postwar investment by foreigners in manufacturing and mining enterprises, their share of these particular fields has

Table I. Book Value of Foreign Long-term Investment in Canada

(millions of dollars)

Classification	1926	1939	1945	1952
TYPE OF INVESTMENT				
Government and municipal securities	1,434	1,703	1,662	2,025
Manufacturing	1,198	1,445	1,829	3,529
Mining and smelting	219	329	403	1,072
Public utilities	2,333	2,420	2,093	2,065
Merchandising	150	189	226	436
Financial institutions	344	473	525	638
Other enterprises and miscellaneous assets	325	354	354	587
Total	6,003	6,913	7,092	10,352
COUNTRY OF OWNERSHIP				
United States	3,196	4,151	4,990	7,976
United Kingdom	2,637	2,476	1,750	1,886
Other countries	170	286	352	490
Total	6,003	6,913	7,092	10,352

Note: All figures in this article represent actual ownership by foreigners as valued in the accounts of the Canadian companies concerned. They consequently do not include funds raised in the Canadian capital market by companies controlled abroad.

increased. Nearly 60 per cent of the capital of mining, smelting, and petroleum exploration and development companies was owned by non-residents at the end of 1951, compared with 40 per cent in 1939. The share of foreign capital varies widely in different fields of manufacturing. The percentage is comparatively large in some branches such as non-ferrous metals, the automobile industry, and petroleum refining; it is comparatively low in other fields such as textiles, primary iron, and steel. In some industries such as newsprint and wood products, non-resident capital plays a very important part but the major share of ownership is Canadian.

Postwar Investment Impressive

Although the relative importance of foreign capital in the Canadian economy has been declining, it continues to have great significance both as an element in our industrial growth and as an influence on the shape of our industrial structure. Canada has been in the forefront of countries attracting foreign private investment capital. The net increase of over $4 billion since the end of 1945 is an impressive one. Participation of United States capital in the dramatic development of Canadian petroleum, iron, and other mineral resources during this period has been well publicized and additional investment has taken place in many other sectors where it has attracted less attention. Investment in the petroleum industry does not stand out in the tables accompanying the article because the exploration and development, refining, transportation, and merchandising companies are each classified differently. Foreign investment in the industry in Canada at the end of 1952 totalled $890 million, compared with $126 million at the end of the war. United States investment accounted for $868 million of this total.

The United States Share

Foreign long-term investment may be usefully divided into direct and portfolio capital. Direct investment covers total investment by the country in which control of the enterprise lies: the typical example is the wholly-owned Canadian subsidiary of a foreign company. Details of United States and British direct investment in Canada are given in Table II. Portfolio investment, on the other hand, covers holdings by foreigners in companies controlled in Canada, and in the funded debt of Canadian governments and municipalities.

Table II. United States and British Direct Investments in all Canadian business, end of 1952

(millions of dollars)

Classification	*United States*		*United Kingdom*	
	Number of Concerns	*U.S. Investment*	*Number of Concerns*	*U.K. Investment*
	No.	$	No.	$
Manufacturing:				
Vegetable products	114	235	54	78
Animal products	54	68	4	4
Textiles	68	46	25	39
Wood and paper products	153	501	27	111
Iron and products	309	524	39	15
Non-ferrous metals	178	470	16	8
Non-metallic minerals	75	470	20	25
Chemicals and allied products	296	246	39	36
Miscellaneous manufactures	85	59	12	26
Total	1,332	2,619	236	342
Mining and smelting	241	821	19	18
Utilities	123	371	19	16
Merchandising	623	296	259	106
Financial institutions	295	289	147	49
Other enterprises	301	108	33	11
Total	2,915	4,504	713	542

United States direct investment in Canada, which has more than doubled in value since the end of the war, amounted to $5 billion at the end of 1953, compared with $3·6 billion for other types of United States investment in Canada. During last year, the total value of United States direct investments in Canada rose by nearly $500 million. Transfers of capital totalled $330 million and the difference reflected mainly retained earnings. Over the postwar period as a whole, retained earnings have added well over $1 billion to the value of United States direct investments in Canada. The value of portfolio holdings also has been growing; the increase last year totalled about $140 million, mainly because of net sales of Canadian securities to the United States and because of retained earnings.

91432—2

Table III. Canada's Balance of International Indebtedness

(billions of dollars)

	1930	1939	1945	1953
FOREIGN CAPITAL INVESTED IN CANADA				
Direct investments	2·4	2·3	2·7	5·8
Portfolio and other private investment	5·2	4·6	4·4	5·4
Total long-term investment in Canada	7·6	6·9	7·1	11·2
Equity of foreigners in Canadian assets abroad	0·4	0·2	0·2	0·5
Other Canadian non-commercial liabilities		0·3	0·3	0·6
Total	8·0	7·4	7·6	12·3
CANADIAN CAPITAL INVESTED ABROAD				
Direct investments	0·4	0·7	0·7	1·4
Portfolio investments	0·8	0·7	0·6	0·8
Government loans and and subscriptions to international organizations	—	—	0·7	2·2
Total long-term investments abroad	1·3	1·4	2·0	4·4
Official holdings of gold and exchange	0·2	0·5	1·7	1·8
Other Canadian non-commercial assets		—	0·1	0·4
Total	1·5	1·9	3·8	6·6
Net Indebtedness—Total	6·5	5·5	3·9	5·7

British investment in Canada has been expanding for the past five years although the currency difficulties which the United Kingdom has experienced have limited the resources it could make available for capital export. At the end of 1952, British direct investment in Canada accounted for $542 million of total British long-term investment in Canada of $1,886 million. Actual transfers to Canada during 1953 for direct investment in British-controlled enterprises totalled $42 million, a considerable increase over earlier postwar years. There were also significant inflows for portfolio investment. As a consequence of these capital movements and of retained earnings, total British long-term investment in Canada rose sharply. By the end of 1953 it probably exceeded $2 billion, an increase of $400 million since 1948. But British investment is still much smaller than in the prewar period, even before allowance for the effects of higher price levels.

Foreign investment has brought to Canada other advantages as well as the important amounts of risk and other capital not available from Canadian sources. Associated with the capital receipts has been access to important industrial techniques and valuable research and marketing connections. Many of the foreign investors in Canada have been seeking new markets or assured sources of essential raw materials. Others have been interested primarily in investment opportunities.

Canada's payments position has, of course, been affected by the existence of large foreign investments and by their great growth in the postwar years. The expansion of both domestic and foreign facilities in Canada has led to strong demands in the economy. These demands have been an element contributing to our heavy imports of commodities, both through direct imports of machinery and equipment or the raw materials from which they are produced, and through the important import content of the domestic consumption related to generally high levels of investment activity.

Effect on Payments Position

External demands have not been limited to commodities. The investment has involved increased payments for such business services as contractors', engineers', and management fees, and for the servicing of debt. The current account deficits which Canada has experienced, with one exception, in recent years are the "real" counterpart of this foreign investment and represent the extent to which Canada has on balance drawn resources from abroad. As the various projects are completed there will be other effects on Canada's payments position. The imports associated with the capital formation will decline and the output will become available either for export, as in the case of iron ore development, or to meet domestic demands which would otherwise be filled from abroad, as in the case of petroleum. But at this stage it is to be expected that profit transfers abroad will begin and in some cases foreign debt will also be amortized.

Canadian Investment Abroad

Canada's record is, of course, much shorter as a lender than as a receiver of foreign capital. It was only in the inter-war period that Canadian capital began to find its way on a significant scale into direct or portfolio investment abroad. By the end of 1953, our gross

external assets totalled over $6½ billion, but they are in some respects different in character from our liabilities. Nearly $4 billion of the total are assets of the Canadian Government, including $1·8 billion of war and postwar loans to the United Kingdom and other overseas countries. Most of these loans were made in the early postwar years to facilitate foreign purchases of goods and services, and to help make it possible for overseas countries to meet transitional postwar deficits on their balance of payments. Also included are Canada's official holdings of gold and foreign exchange amounting to $1·8 billion. These are used by the exchange authorities to smooth out excessive short-run fluctuations in the exchange rate and to ensure orderly conditions in the foreign exchange market.

Private assets abroad include long-term direct and portfolio investments valued at $2·2 billion. These assets have grown from $1·3 billion at the end of 1945—a rate of increase somewhat higher than that of foreign private long-term investment in Canada. The extent of Canadian investment abroad is little realized. On a per capita basis, Canada's privately-held assets abroad exceed those of the United States in all foreign countries by more than 15 per cent. Canada's gross assets abroad are also relatively greater than those of the United States, even including gold holdings.

About two-thirds of Canada's $1·4 billion direct investments abroad are to be found in the United States. These investments, on a per capita basis, are about twice the value of United States direct investments in Canada. Canadian capital is invested mainly in the beverage, farm implements and petroleum industries and in railways, but a wide range of other businesses is also involved. Investment in other parts of the world is widely distributed and is to be found particularly in industrial and commercial companies, mining, and utilities. Some two-thirds of our portfolio holdings abroad are also in the United States but Canada has extensive portfolio investments in other parts of the world, particularly Latin America.

Net Indebtedness

Canada's position as an international borrower and lender is indicated in Table III. Our net indebtedness at the end of 1930 of $6·5 billion was reduced to $5·5 billion by the outbreak of war. We emerged at the end of the war with net liabilities of $3·9 billion, which fell further for a few years and then began to climb with the heavy capital expansion in Canada. By the end of 1953, our net indebtedness was estimated at $5·7 billion. Bearing in mind the great growth of productive capacity and the rise in price levels, there can be no doubt that the real burden of Canada's position as an international debtor has been greatly reduced over the past fifteen years. ●

91432—2½

The "Beaver" and the Locusts

IN THE SKIES ABOVE PAKISTAN, three aircraft from Canada are carrying forward a fight against one of the farmer's oldest enemies—the voracious desert locust. These planes, designed and made by de Havilland Aircraft of Canada Ltd., form part of Canada's contribution to Pakistan under the Colombo Plan.

The Plan also provided for two Canadians to travel to Pakistan to assist in getting the locust-spraying operations under way. One was an aircraft engineer, assigned to help establish and supervise the aerial wing workshops of the Pakistan Department of Plant Protection; the other, a pilot-instructor to train native pilots in methods of flying and spraying.

The desert locust has proved to be one of the most dangerous enemies of agriculture in Pakistan. A migratory pest, it looks rather like a Canadian grasshopper but it is much larger, and a sturdy flyer—some observers have seen swarms 40 miles long and eight miles wide. Because these swarms eat up all vegetation and destroy food-grains, fodder, and cash crops like cotton, locust invasions of Pakistan in the past have almost always resulted in famine or hard times.

The locust breeds in the deserts of Africa, the Middle East, and the Indo-Pakistan sub-continent. Pakistan is the country most seriously threatened by them because it lies on the route of the swarms migrating from east to west. Moreover, it provides a breeding-ground in the spring in the desert areas of Baluchistan and in summer in Sind, Bahawalpur and the Punjab.

Soon after the state of Pakistan was established, the Plant Protection Administration organized anti-locust operations. In desert areas of West Pakistan it set up 25 outposts, manned by about 150 trained personnel and equipped with motor vehicles and dusting and spraying machines. In 1951, an aerial wing was added, using five small aircraft. Now the three Canadian *Beavers* have arrived to help out.

The Administration has found that aerial spraying is particularly effective in areas of heavy and continuous infestation and where valuable agricultural crops are threatened. Ground parties go over the areas late in the evening after the locusts have settled for the night and set up flags to guide the pilots. Sometimes smoke and other signals are also used. The spraying is done in the early morning before the locusts move off and when flying conditions are good.

R. K. THOMSON,
Commercial Secretary, Karachi.

Surveying the Spanish Economy

Heavy frost damage to the citrus and olive groves will affect Spain's exports for some time to come. U.S. aid is expected to benefit country without causing undue inflation. Prospects good for greater trade with Canada.

E. H. MAGUIRE, *Commercial Secretary, Madrid.*

THE PAST TWELVE MONTHS have proved somewhat disappointing for Spain from the economic point of view. Lack of rainfall at the critical time cut down last summer's grain harvest substantially. As a result, a large proportion of her foreign exchange resources had to be used for imports to make up the deficiencies. The grave damage done to the citrus fruit orchards and to olive trees over large areas by unusual February frosts is bound to affect Spain's export potential for some time to come. Industrial production was hampered by raw material shortages, worn-out machinery, and by electric power restrictions made necessary by drought which extended well into the winter months. These misfortunes have had and will continue to have an adverse effect on economic activity in general. However, if this summer's grain harvests turn out as well as expected, this will stimulate the whole economy.

The volume and value of foreign trade is holding up well, despite some weak spots in the export field, and trade with Canada reached a record volume in 1953. Although inflationary forces are at work, the Government has so far been able to hold price rises down to reasonable proportions, despite wage increases. The Government has been following an orthodox fiscal policy and the last two budgets have shown surpluses. The United States financial aid program which is just getting started is bound to ameliorate the ills which for so many years have beset the Spanish economy.

Aid from United States

The scheme for the construction of United States military bases in Spain is, according to present planning, quite modest in scope. It has been announced that four air bases will be built and the Cadiz port area developed; the work is expected to start in September. Counterpart funds from economic aid grants will defray, in whole or part, local labour and material costs. Out of this fiscal year's grant of $141 million for military aid, about $60 million will be spent on the bases and the remainder on equipment for the Spanish armed forces. It is planned that from $150 million to $250 million will be spent on the bases over the next three years. American construction and architectural firms have established offices in Madrid and the work is to be sub-contracted to Spanish firms. Spanish labour and materials are to be used as far as possible.

This fiscal year's $85 million economic aid grant under FOA will be distributed as follows (any future grants will probably follow the same pattern):

	Dollars
Technical aid	1,000,000
Raw materials (coal, iron and steel scrap, cotton, tinplate, copper, aluminum, chrome, manganese, nickel, ferro-chrome, ferro-manganese, sulphur and ferro-molybdenum)	30,850,000
Agriculture (crawler tractors, wheel tractors, harvesters, cultivating and sowing machines, heavy equipment for levelling earth, drilling equipment for water boring)	8,450,000
Public works (roads, reservoirs, irrigation canals)	5,000,000
Railways	11,000,000
Civil aviation	700,000
Defence industry	1,000,000
Electric power	12,500,000
Machinery for cement industry	4,000,000
Iron and steel industry	8,000,000
Machinery for coal mines	2,500,000
Total	85,000,000

So far about $40 million has been allotted and Canada has been named as a source of supply for ferrous scrap, copper and aluminum. Official Spanish circles feel that the $85 million is not nearly enough for the country's urgent requirements and hope that the grant for the next fiscal year, which began on July 1st, will be much larger. It is the consensus, however, that a larger sum will not be forthcoming. As an additional form of aid, the United States recently allocated to Spain 300 thousand tons of wheat to be paid for in pesetas which will be used to help defray the cost of the bases.

Will Inflation Increase?

There is a widespread feeling that the military construction projects in Spain will cause undue inflation. This is denied by Spanish officials who point out that the counterpart funds will amount to only one or two per cent of the gross national product. It is expected

that the slack will be taken up in employment and prices will rise, but there will be other forces to keep inflationary pressures in rein. The budget surpluses of the past two years, for instance, have built up a great deal of confidence in the peseta both inside and outside of Spain.

Furthermore, the inflow of raw materials and machinery, plus the expected good, crops, cannot fail to raise production. The basic industries of Spain badly need this kind of stimulation. In 1953 production increases were registered only in cement and thermo-electric energy; steel and coal production remained stationary. On the other hand, the important textile industry, which has been fairly well supplied with raw materials, is suffering from over-production brought about by buyers' resistance in both the domestic and export markets. This industry appears to be unable to so adjust prices as to create demand.

Trade Still Controlled

Although it is official policy to reduce controls gradually, a lot of ground must be covered before freedom in trade is reached. Traders and entrepreneurs are still faced with a multitude of controls, many of which, they feel, are beginning to lose their usefulness. Price ceilings are still imposed on most basic commodities produced in Spain and also on imported goods. Minimum export prices continue to be enforced. There are strong rumours, however, that the multiple exchange rate systems for imports and exports will soon be abolished and a single rate set.

All imports and exports are still rigidly controlled by licence. Imports from the dollar area continue to be restricted to raw materials and a few other goods that cannot be obtained from other sources and are considered essential. However, there are signs that more dollars are becoming available and the range and volume of goods brought in from the dollar area are gradually becoming larger. An import licence liberalization scheme has just been announced for certain types of crude rubber, carbon black, dyestuffs, raw materials for plastics, sausage casings, spices, tea, seeds (except potato), watches and automobile spare parts. Licences for these goods will be granted freely in any quantity and from any source—except that trade agreement obligations and the interests of local manufacturers and producers will be taken into account. It remains to be seen just how effective this new departure will be, but traders agree it is a step in the right direction.

Trading Picture in 1953

The latest figures show that Spain's visible foreign trade improved slightly in 1953. The year ended with a debit balance of 350 million gold pesetas (about three gold pesetas equal one dollar Canadian) which

A group of Spanish fisherfolk near Vigo cleaning their catch. Spain does not produce all the fish which she consumes and dried salt codfish from Canada finds a market there.

is identical to the 1952 deficit. Imports amounted to 1,839 million gold pesetas and exports to 1,488 million gold pesetas, compared with imports of 1,762 million gold pesetas and exports of 1,402 million gold pesetas in 1952. As usual, the principal imports were primary materials and manufactured goods and foodstuffs formed the bulk of exports.. The volume of exports dropped considerably compared with the previous year, largely because of a falling-off by about 20 per cent in shipments of pyrites and iron ore. Export shipments of textiles also showed up badly; exports were valued in 1951 at 121 million gold pesetas, at 48 million gold pesetas in 1952, and at only 31 million gold pesetas for the first eleven months of 1953. The United Kingdom again ranked as Spain's best customer, followed by Germany, the United States and France. France was the largest supplier but the United Kingdom, the United States and Germany were not far behind. Spain's invisible earnings are being sharply increased by an active tourist trade. American visitors are expected to number 125 thousand this year compared with a mere 4,000 in 1947. slightly

The outlook for Spain's foreign trade is clouded because of the heavy frost damage to citrus fruit crops in February. This year's late-season shipments to the United Kingdom, France, Germany, and other Northern European countries had to be sharply reduced and the next two or three fruit shipping seasons are likely to be similarly affected because many orchards suffered damage beyond repair. Olive oil shipments will prob-

Spain's Frosts in February, Brazil Frosts exactly on Night of July 23rd)

ably be cut back for the same reason. Fortunately, almond and other nut-bearing trees suffered little damage.

Trade with Canada

Canadian-Spanish trade reached record proportions in 1953 because of heavy wheat shipments from Canada. Spanish statistics value imports from Canada at 47 million gold pesetas, compared with only 7·0 million gold pesetas the previous year; Spain's exports to Canada increased from 8·6 million gold pesetas in 1952 to 9·0 million gold pesetas in 1953. Apart from wheat, Canadian goods which moved to Spain in some volume were barley, dried salt codfish, crude asbestos, non-ferrous metals, and tool steel. The principal Spanish exports to Canada were green olives, manufactures of cork, peanuts, almonds, wines, olive oil, unbleached cotton and salt.

An event of importance to the future of Canadian-Spanish trade was the signing in Madrid on May 26th of the first direct Trade Agreement between the two countries.

It is reasonable to forecast that trade between Canada and Spain will steadily expand and the Trade Agreement form a firm basis for its continued development.

Copra from the Philippines

Six Million Philippinos (throw Coconuts

Copra ranks as the number one Philippine export and its main dollar-earner. The serious problems that beset this industry are therefore receiving careful attention.

H. E. LEMIEUX, *Vice-Consul and Assistant Trade Commissioner, Manila.*

THE COCONUT AND ITS DERIVATIVES are to the Philippines what wheat is to Canada. Coconuts constitute the country's principal agricultural crop and copra its number one export. There are about one million coconut planters in the Philippines, practically all small operators, and their production provides the raw material for the copra, desiccated coconut and coconut oil industries. Some six million Filipinos depend, directly or indirectly, on coconuts for their livelihood.

Big Dollar Earner

The coconut industry is also the Philippines' biggest source of dollar earnings; in 1953, to take one example, copra and desiccated coconut constituted approximately 73 per cent of Canadian imports from that country. During the first ten months of last year, copra exports yielded over US$94·1 million, representing 28·6 per cent of the total value of Philippine exports for that period. Desiccated coconut exports were equivalent to 4·1 per cent of overall exports, and were valued at approximately US$13·6 million, or 3·9 per cent of the total value of exports. In other words, Philippine exports of copra, desiccated coconut and coconut oil brought the country some US$120·6 million from January to October 1953, out of a total dollar income of US$329·2 million.

The principal characteristic of the coconut industry is that the volume and value of production are anything but stable because growing conditions vary greatly from one crop year to another and world prices for coconut products and by-products fluctuate.

The recurrence of typhoons and the progress of the "kadang-kadang" disease seriously affect the coconut groves. The influence of these two factors, plus others, can be seen from the figures on page nine.

Production Trends

The general expectation in trading circles is that the output of copra during the current year will surpass that of 1953 and even that of 1951, because trees damaged in the 1952 typhoon have recovered and groves were not affected by typhoons in the past year. Nor have there been serious earthquakes to damage the root systems. Yet the long-term trend is toward lower production because of the "kadang-kadang" disease, a growing threat which remains unchecked. Good weather and growing conditions, however, could largely offset that handicap.

Coconut Plantations and Copra Production

Year	Area Cultivated (hectares)*	Total Number of Trees	Production of Copra (long tons of 2,240 lb.)
1947	960,000	142,405,300	1,235,427
1948	960,000	137,133,100	935,347
1949	965,000	137,454,500	914,137
1950	985,000	138,122,600	1,077,110
1951	987,000	180,211,300	1,124,862
1952	987,000	150,688,520	1,053,676
1953	1,073,000	164,291,400	1,038,854

* One hectare = approx. 2·471 acres.

The chief obstacle confronting the Philippine copra export trade is its dependence upon one or two foreign markets. The principal and traditional outlet for the bulk of copra exported is the United States, which takes more than 50 per cent of all tonnage shipped abroad. Canada buys considerably less but it is worth noting that all Canadian imports of copra in 1953 came from the Philippines.

The table below gives the value and volume of Philippine exports of copra by principal countries of destination during the past few years:

Copra Exports from the Philippines

	1953		1952		1951	
	Volume	Value	Volume	Value	Volume	Value
United States	314,466	$62,200,657	300,091	$40,193,439	382,156	$75,717,037
Netherlands	73,579	14,195,909	48,311	6,552,640	91,634	17,554,444
Denmark	35,823	6,775,922	25,244	3,265,966	21,946	4,317,225
Venezuela	30,374	5,801,642	10,087	2,057,657	15,240	3,385,350
Switzerland	27,649	5,394,097	64,262	8,945,404	14,204	2,642,137
Belgium	26,303	4,875,678	43,515	5,876,464	67,323	13,351,222
Colombia	22,370	4,243,449	26,943	3,762,604	24,567	4,740,953
Germany	19,112	3,425,670	9,357	1,314,407	6,878	1,508,214
Israel	11,806	2,167,541	23,624	3,160,240	12,724	2,714,500
CANADA	8,179	1,484,810	26,162	3,529,060	22,781	4,652,736
All others	30,025	5,516,337	85,520	10,562,888	112,640	23,512,398
Grand Total	599,686	116,081,712	663,116	89,220,769	772,093	154,096,216

Note: All values are in U.S. dollars and all volumes are metric tons.

Problems Awaiting Solution

In addition to the over-concentration of Philippine copra sales in one market, there are other problems which confront the producers and exporters.

• First is the tendency towards steadily decreasing production. This is largely the result of the "kadang-kadang" disease which has spread alarmingly and, in the long run, can kill the industry unless some method of dealing with it is found.

• International buyers consider that the quality of Philippine copra tends to be low. It is graded according to the moisture content but this is established by purely arbitrary methods. Some buyers in North America have complained of Philippine copra shipments which had as much as 20 per cent shrinkage. The quality seems to have deteriorated in recent years and in 1953, the country produced 13·2 per cent less of low-moisture content copra than in 1952. However, measures have recently been introduced in the Philippine Congress which, if approved, will undoubtedly improve grading standards and similar regulations.

• Although the Philippines is considered the world's largest producer of copra, local production costs are high compared with those in competing countries. For example, Philippine estimates of the labour costs in the copra industry are ten times higher than those in Ceylon.

• There is a general fear in local trading circles that the world demand for copra is weakening, particularly in the large United States market. Although the prices of copra in world markets are steadily declining, coconut oil prices remain much higher than those of other vegetable oils. Hence, manufacturers on the United States Pacific coast may turn to less expensive substitutes such as soybean oil. If they do, Philippine copra exports will experience a severe setback and the country's dollar income will fall. All in all, the outlook for the industry at the moment is not encouraging. •

fairs and exhibitions

A First for Osaka

THE JAPAN INTERNATIONAL TRADE FAIR, the first venture of this type, was held last April in Osaka, an important industrial and trading centre and Japan's second largest city. Sponsored by the Government of Japan, it was planned and managed by the Osaka Chamber of Commerce and Industry, the Osaka Prefectural Government, and the Osaka Municipal Government. Among the exhibitors were the Government of Canada and several Canadian exporters, and among the foreign visitors a 60-man Goodwill Mission organized by the Vancouver Board of Trade.

The fair was held at two separate locations to accommodate the many and varied exhibits from Japan and other countries. The first site, in the International Fair Hotel, was given over to textiles and their manufactures; the second, in the harbour area, consisted of two large warehouses for machinery and allied goods, and a newly-constructed building housing the remaining displays, including exhibits sent by foreign governments.

At the Fair

Most of the goods were exhibited by some 500 Japanese manufacturers. Switzerland, the United States and West Germany had the largest representation of the 16 foreign nations exhibiting, followed by the United Kingdom and Sweden. The firms from abroad specialized in machines and industrial equipment which could be used to develop industries in South East Asia, such as textiles. Of the 515 booths sponsored by Japanese firms, 249 displayed machinery and metal goods, 162 sundry goods, 105 textiles, and the remaining ones either showed raw materials or advertised the tourist industry. The sundries section included fountain pens, cultured pearls, thermos bottles, bambooware, ceramics, enamelware, kerosene stoves, etc. A surprising feature was the appearance of booths sponsored by local housewives' organizations, which showed home-made products and other manufactures.

Canada's Exhibit

The theme of the Canadian Government display was Canada's readiness to supply Japan and other countries with basic foodstuffs and industrial materials, such as wood and its by-products, chemicals, metals and synthetics. Trade inquiries were received at the stand, where the Canadian Trade Commissioner from the newly-opened office in Kobe and the Assistant Commercial Secretary from the Canadian Embassy in Tokyo were on duty. Canadian firms with displays at the fair included Canadian Pacific Airlines, Alaska Pine and Cellulose Ltd., Atlas Steels Ltd., and Coleman Lamp and Stove Co. Ltd. Each presented in attractive style the goods and services it offers to Japan and other countries.

Reports in the press state that attendance at the Fair totalled 275 thousand. Of the 27,278 buyers present, 1,533 were foreign businessmen, the majority of them from the Far East, and particularly India and Pakistan.

Paul Sykes, Canadian Trade Commissioner at Kobe, Japan, and two clerks from the Canadian Embassy in Tokyo look over part of the Canadian Government exhibit at the Osaka Fair.

The Canadian Mission of businessmen was warmly welcomed by the Government and the trading community and particularly by the Trade Fair officials. The members of the Mission commented favourably on the organization of the Fair and the design of the exhibits.

The long-run purpose of the Fair was twofold—one, to stimulate international commerce through an understanding of the types, designs, and quality of products made and desired; and two, through its display of the best products from many countries to encourage industries in Japan and abroad. As yet, there is no definite information on further Japanese International Trade Fairs. However, press reports indicate tentative plans for the Japan International Trade Fair to be held in Tokyo for two weeks in May 1955, under the auspices of the local metropolitan government and sponsored by Tokyo's Chamber of Commerce and Industry.

British T.V. on Display

BRITISH TELEVISION CAMERAS, studio equipment, and outside broadcasting units will be featured at the National Radio Show, to be held at Earls Court, London, from August 25 to September 4, with a special preview for overseas visitors on August 24.

Organized by the Radio Industry Council, the show will display in continuous operation 400 television receivers from every British manufacturer with the picture also seen on a cinema-size screen. Among the television cameras to be seen in action will be small ones designed for industrial and commercial applications, and the BBC "roving eye", in which a camera is combined in one unit with the transmitter, making it independent of cable connections. The exhibition will also have two fully-equipped television studios, one of which will be used for sound programs and which will be complete with control equipment and the latest film scanner.

Russia at Lyons

FOR THE FIRST TIME since World War I, the Lyons International Fair at Lyons, France, presented this spring a large and representative exhibit of Russian-made products which proved to be the central attraction for the record-breaking crowds who jammed the Fair grounds and buildings from April 24 to May 3.

Publicized in advance as a 500-ton shipment and housed in a separate pavilion, the Russian exhibit occupied some 15 thousand square feet of inside space. Gigantic murals at each end and in the centre of the pavilion dramatized the role of the Russian workers. Ranged along the walls and in the centre were product displays which included textiles, tinned and preserved fruits, vegetables and meats, precious stones, perfumery, tobacco, carpets, calculating machines, phonograph records, caviar, cheese, furs, and metal products.

Prominent place was given to education in Russia, with films and a loudspeaker giving a continuous commentary related to the films, which seemed to attract and hold the attention of large crowds. Display cases in this section contained a large exhibit of Russian books, including books for children, graphic arts, music, etc.

A space of roughly the same size outside the pavilion contained impressive models of Russian-built agricultural and earth-moving machines, tractors, motor cars, compressors and smaller mechanical equipment.

Because this was the first time Russian goods have been on display in France and because the whole exhibit was attractively and impressively presented, it undoubtedly stole the show at the Lyons Fair this year. A large book conveniently placed in the outdoor space was filled for the most part with flattering comments and signatures of admiring visitors.

One interesting and perhaps significant aspect of the Russian display was that it seemed to be impossible to get information on prices and delivery dates—leading to the conclusion that strictly commercial objectives were probably secondary to the prestige and propaganda values.

The largest trade Fair in France, the Lyons International Fair combines the features of the Canadian National Exhibition and the Canadian International Trade Fair and attracts an annual attendance of about a million people. This year a new record of 1·2 million was set. Total exhibit space of some 1,850,000 square feet is naturally filled largely with displays of French manufactures, but 24 other countries were represented. German firms were the most numerous among the foreign exhibitors, followed by the United Kingdom, Italy, Switzerland, Belgium, Sweden, and the Netherlands. The French branch of a Canadian agricultural machinery firm was prominent among the outdoor displays of such equipment. In addition to their commercial exhibits Belgium, Germany, Italy, Monaco, The Saar, Sweden, and Switzerland had small prestige displays and information offices. ●

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Netherlands Agriculture in 1953

Recovery from the disastrous flood featured Dutch agriculture in '53; re-distribution of crops mitigated the losses and volume of agricultural exports rose. Trading in coarse grains, oils, fats and oilseeds (with a few exceptions) has now been returned to private hands.

C. J. SMALL, *Acting Agricultural Secretary, The Hague.*

IN 1953, Netherlands agriculture survived in a remarkable way both a disastrous flood and the rising tide of competition in world export markets. These achievements give ample evidence of the soundness of the Netherlands economy, and especially its agriculture, at a time when the supply of agricultural products has exceeded the demand. Dutch farmers, however, still have their problems, as they survey their rising annual output and look for foreign markets in the face of growing protectionism in North America and in Europe and heavy United States food stocks.

Highlights of Year

Last year, the trade in agricultural products proved satisfactory and exports exceeded in volume those of 1952. Lower prices, however, reduced the overall returns. Mounting domestic surpluses of dairy products caused concern in early summer but this was eased at least temporarily by substantial Russian and East European purchases. In brief, 1953 proved to be the turning-point between the postwar period of raw material shortages and a new era of rising production and stiffer marketing competition.

Official policy during the year encouraged agricultural co-operation within the wider framework of a European political and economic community. At the same time, the decline in world feed and raw materials prices, plus growing domestic production and a favourable balance of payments position, permitted the Netherlands Government to continue its postwar policy of relaxing controls over trade and domestic consumption.

Aftermath of the Flood

The outstanding agricultural event of 1953 was undoubtedly the disastrous flood that struck Holland on February 1. Nearly 360 thousand acres of land were inundated as a result of 67 major dyke breaks and many smaller ones. The last of these was sealed off at midnight on November 6 and at the year's end pumping was still in progress on the final 6,200 acres of flooded polderland. Restoration costs will probably total about $230 million, 25 per cent directly chargeable to agriculture and the remainder to related items such as dykes, roads, railways, etc. Government budgeting for this has been spread over two years; about half of it will be covered by counterpart funds and the remainder by gifts and state loans.

Production Losses

Total production losses in 1953 have been placed at $50 million (just over 1 per cent of the 1952 national income) of which $30 million was agricultural production. Redistribution of crops throughout Holland and excellent weather in the 1953 season did much to mitigate the losses suffered. Purchases of Russian wheat on favourable terms in the summer months also softened the adverse effect on the balance of payments.

Loss of production—all of it agricultural—in 1954 has been estimated at $14 million, making necessary abnormal imports valued at about $8 million. By 1956, it is believed, 60 per cent of the flooded area will be back to normal output.

Even the flood had its compensations. It provided needed work for some of the unemployed, speeded up the re-allotment of land, led to the improvement of water-courses, dykes and roads, and awakened interest in the long-projected closing of the sea arms of the Rhine-Scheldt estuary with protective dykes. These dykes would not only give protection against future storms, but would result in an additional 250 thousand acres of rich agricultural land, a valuable fresh-water reservoir, and a check on salt-water pollution.

Under the influence of growing supplies of both domestic and foreign feedstuffs at lower prices, livestock production continued to expand in 1953. Cattle increased from 2·86 million in May 1952 to 2·93 million in 1953, hogs from 1·84 to 1·96 million, and domestic fowl from 23·8 to 27·5 million.

Field crop harvests were generally smaller in 1953 but (with the exception of wheat and rye) were well above the 1946-52 average. The decline in wheat

production was entirely due to a smaller area under cultivation as the yield was 13 per cent higher than the average for 1946-52. Rye production was only just below the average for the same period because of smaller yields per hectare. Potato production continued to fall but root crops expanded substantially. The sugar beet harvest, at nearly three million metric tons, was 28 per cent larger than the 1946-52 average and fodder beets, mangels, etc., at 3·8 million tons, were 6 per cent above the 1946-52 average. Both were well above the corresponding figures in 1952.

Milk Yield Higher

Favourable feeding conditions in 1953 were largely responsible for a 5 per cent increase in total milk output. Only a small share of the increase was due to greater cattle numbers; in the main, it resulted from higher production per cow. Fluid consumption and farm use were virtually unchanged, leaving more milk for manufacturing purposes than in '52. The average fat content of all milk delivered rose to 3·6 per cent. As a consequence, butter and cheese production in 1953 were respectively 63 and 35 per cent higher. Whole milk powder went down 19 per cent and condensed and evaporated milk combined by over 4 per cent.

Trade in Agricultural Products

Agricultural exports from Holland in 1953 represented about 43 per cent of the total export value; agricultural imports represented 22 per cent of total imports. The volume of agricultural exports rose substantially over 1952 but the decline in world prices brought a 2 per cent decrease in value. On the other hand, agricultural imports rose 10 per cent, the increase being shared by all major categories.

Greater Russian participation in Dutch agricultural trade was an unusual feature of the trading year. Through this channel, Holland was able to solve the problem of a mounting butter and cheese surplus. Exports of butter to the Soviet bloc totalled 21,500 tons and of cheese, 2,500 tons. In compensation, the Netherlands took some 180 thousand tons of Russian wheat.

Germany replaced Belgium as Holland's premier trading partner in 1953, and agricultural trade contributed greatly to this development. The United Kingdom again ranked third and the United States fourth.

Grains Lead Imports from Canada

Trade between Canada and the Netherlands continued to grow in 1953. Food and agricultural shipments from Canada accounted for approximately 84 per cent of total Canadian exports to the Netherlands. Grains

Milk output in Holland was up 5 per cent last year, because of greater production per cow. Butter and cheese production rose substantially over 1953; whole milk powder declined.

formed the bulk of these exports; wheat alone was valued at $26·5 million out of a total of $42·4 million. Barley shipments were valued at $4·1 million, a sharp decline from just under $7 million worth in 1952. Rye shipments advanced from $·6 million to $1·3 million. Canned salmon, edible beef and pork offals, sausage casings, non-edible vegetable oils, herring oil, hides and skins, clover, and grass seeds also showed substantial increases. Lard was missing from this year's Canadian exports to Holland, though in 1952 over $300 thousand worth was shipped through this country for ultimate consumption in Germany. There were sharp declines in exports of flaxseed, tobacco and herring oil, though sales remained substantial.

Exports to Canada

Food and agricultural exports from Holland to Canada were valued at $7·6 million—34½ per cent of total exports worth $20·3 million. Ornamental nursery products headed the list again, with well over $1·5 million worth. Bristles jumped into second place in value with shipments worth one million dollars, compared with half a million in 1952. Cocoa butter, beans and paste totalled nearly one million dollars in value. Other substantial items were fruit pulps, pickles, cheese, nuts, confectionery, liqueurs, salted herrings and China wood oil.

One outstanding development in 1953 was the return to private trading in coarse grain imports. The initial reaction to this step was slow, because of large government stocks of coarse grains, but with the liquidation

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of these in the fall, private trade gathered momentum. Futures trading in corn returned to Rotterdam for the first time since before the war and it is expected that barley imports will soon be placed on the same basis.

Return to Private Trading

Only imports of wheat, fats and oil products remained in government hands at the year's close and on May 9, oils, fats and oilseeds (with the exception of linseed and linseed oil) were returned to private trade. The return of wheat to private trading became more remote towards the end of the year and it may be postponed until August 1955.

With the fall in world grain prices, domestic grain producers became worried and the Government instituted in the fall a system of "monopoly" levies to be imposed on foreign grains when prices reached specified levels. Domestic rye producers were the hardest hit by foreign competition and the levy on rye imports was the first to be applied, followed by barley and oats. These levies fluctuate with imported grain prices and thus protect domestic producers.

Although coarse grain trading was returned to private hands in the fall of 1953, dollar allocations for barley, oats and rye purchases from North America have continued under strict government control. However, on June first restrictions on dollar imports of coarse grains for feed were removed but restrictions on coarse grains for seed continue.

Trade Outlook

Russian food imports from Holland—substantial in 1953—could, if they expand at last year's rate, do much to absorb the Dutch agricultural surpluses—but they cannot be counted upon. Nevertheless, high quality and low production and processing costs should mean that Dutch agricultural commodities can hold their own in world markets throughout 1954.

Canadian export prospects in the Dutch market have never been brighter. The Netherlands balance of payments position is extremely favourable and its dollar problem, though continuing, is no longer acute. The Netherlands population continues to grow rapidly and on the average is more prosperous than at any time since the war. On the other hand, the Dutch market is limited to 10½ million people, is very price-conscious, and is the centre of extreme competition among both domestic and foreign suppliers. Within this setting Canadian products should be able to capture a larger share of trade if strict attention is paid to price and quality. ●

Vegetable Oils from Malaya

COPRA, COCONUT OIL AND PALM OIL are secondary agricultural products in rubber-rich Malaya but they help to stabilize the economy. When rubber prices shot up by 500 per cent in 1951, for example, copra and vegetable oil prices increased also, but only moderately. Last year, exports of copra and oils were valued at M$139 million, compared with M$392 million for tin and M$1,238 million for rubber.

Production and export of copra, copra cake and coconut oil ranks first in the vegetable oil industry. Malaya has about 500 thousand acres planted to coconuts—some 100 thousand acres less than prewar. Improved methods, however, have stepped up yields and production last year reached 151,200 tons.

Malaya also carries on an import trade in Indonesian copra which varies between 75,000 and 125,000 tons a year, depending on demand and the market price. The imported and the domestic copra are mixed in Singapore and sold by auction to local and overseas buyers. Production plus imports totalled 230 thousand tons last year but exports, which fluctuate considerably from year to year, reached only 68,400 tons. Germany, Holland and Sweden were the principal buyers. The remainder went to local coconut oil expressers, who turned out 79,200 tons of oil and an unspecified quantity of copra cake for animal feed.

Most of Malaya's coconut oil (60,000 tons last year) is sold abroad, chiefly to Asian countries such as India and Burma; fair quantities of crude oil in drums go to Germany, Italy, the Netherlands, and Sweden. Local soap makers use smaller amounts to turn out about 500 thousand lb. of soap a year.

Except for the small quantity used by the soapmakers, all the palm oil produced goes to foreign buyers. Of the 48,362 tons, valued at M$31·4 million, sold abroad last year, over half went to the United Kingdom. India, the Netherlands, and Canada were also large buyers; Canada took 2,835 tons worth M$1,594,000.

Last year Malayan palm oil producers organized a marketing pool after the bulk purchasing agreement with the British Government ended. This pool maintains its headquarters in London and, it is believed, will help Malaya to compete successfully with Sumatra and the Belgian Congo which also uses this selling method.

D. S. ARMSTRONG,
Trade Commissioner, Singapore.

Singapore's Entrepôt Trade

Last two years have seen Singapore's role as middleman for Southeast Asia become less important, despite repair of war damage; a change for the better appears unlikely within the next few years.

INCHE ISMAIL, *Office of the Trade Commissioner, Singapore.*

A GLANCE AT THE MAP shows that Singapore is an obvious collection and distribution centre for the commerce of Southeast Asia. Lying halfway between India and China, surrounded by countries with large populations and rich in natural resources, it is an important stopping place for passenger and cargo ships on the main ocean route from Europe to the Far East. Its position on the southern tip of the Malay Peninsula makes it also the most convenient centre for local ships trading in Southeast Asia. Sir Stamford Raffles who founded Singapore in 1819 saw the great commercial and strategic value of its position. His researches revealed that the "Lion City", as it is called in Malay, was a prosperous commercial centre in the 13th and 14th centuries until it was destroyed by the Javanese about the middle of the 14th century.

Established as Free Port

Recognizing Singapore's possibilities as a trading centre, Raffles made trading conditions as attractive as possible by providing that: "The Port of Singapore is a free port and the trade thereof is open to ships and vessels of every nation free of duty, equally and alike to all". It is still a free port today. The free port status means not only freedom from customs dues but also from harbour dues; vessels which do not go alongside the harbour wharves do not pay.

War Damage Repaired

Passenger and cargo-handling facilities at Singapore, damaged or destroyed during the war, have been repaired and extended by the construction of ten jetties of a total length of 1,000 feet, and four godowns (warehouses) of 45,000 square feet each have been added to the former 39½ acres of enclosed storage space. These new facilities have been used since March 1953 in a scheme to speed up trans-shipment operations; ocean ships discharge to these godowns for carriage by coasters to some 26 ports.

Because Singapore produces and consumes very little, it has become the natural middleman in the trade between the surrounding territories and the rest of the world. Singapore Island has an area of approximately 212 square miles and of this, only 14·3 square miles are arable and 49·8 square miles fit for growing trees, crops, vine or shrubs, including rubber. The Island has no heavy industry but has developed some light secondary industry.

Nature of Entrepôt Trade

About 40 per cent of Malaya's trade is entrepôt trade through the island ports of Singapore and Penang in northwest Malaya. Singapore, which has by far the larger share, receives raw and semi-processed rubber, mainly from Indonesia and Borneo, and after further processing and grading re-exports it. It also re-exports copra and coconut oil, spices and other produce from these territories. The entrepôt trade is in addition to the normal export from Singapore (and Penang) of rubber, tin, copra and other products produced in Malaya. In exchange, a variety of manufactured goods come in from Europe, North America and Japan (cotton textiles and metal manufactures) and is exported to these Southeast Asia territories.

Importance as Middleman Decreases

Singapore's entrepôt trade depends first, on the prosperity of the surrounding territories (i.e., their ability to buy through Singapore) and second, on whether or not they are willing to trade with Singapore merchants rather than directly with the sources of supply. During the last two years, Singapore's role as the middleman has become less important; the falling-off of the entrepôt trade indicates that customers are either unable or unwilling (or both) to buy from Singapore merchants. In 1953 Singapore's exports to its biggest customer, Indonesia, fell by M$186 million, or 46 per cent below the previous year's; imports from Indonesia dropped by only M$108 million, or 13½ per cent. This drop reflects the decline of Singapore's entrepôt trade with Southeast Asia as a whole (Indonesia, British North Borneo, Burma, Thailand, French Indo-China and Hong Kong). Imports fell from M$1,345 million in 1952 to M$1,178 million in 1953, and exports from M$720·6 million to

A Chinese resident of Singapore, buying her supplies from a street vendor, believes in testing by tasting. Note the modern apartment house showing in the background.

M$544 million. Unstable economic conditions in the independent countries of Southeast Asia as a result of the drop in prices for rubber and other commodities was the main reason for the decline. It is unlikely that the trade will show any marked improvement within the next few years.

Trading Methods

The same race inhabits almost the whole of the Malay Archipelago, producing rubber, spices, copra and forest products. The traders, mainly Chinese, operate businesses both in Indonesian ports and in Singapore. Their junks and sampans ply constantly between Singapore and the ports of the surrounding territories, bringing the raw products to Singapore and taking out in exchange the manufactured goods of western countries. A part of this entrepôt trade is done by barter. As far as produce is concerned, the grades and qualities under the name of "Straits produce" have been established and accepted throughout the area so that transactions can be carried out without samples or trial orders. The precise terms of barter trade have altered from time to time and the barter area has decreased as more banks have opened, especially in Indonesia, where the policy is to extend the banking system steadily. However, there are still large areas in Indonesia where banks are not likely to be established. The pattern of barter trade is that a percentage of the value, sometimes as high as 70 per cent, is remitted to Indonesia at the official rate of exchange and the remainder is taken back in goods which are sold in Indonesia. The proportion varies with the commodity traded; at present, 100 per cent cash is required for fish; for logs the barter ratio is 50 per cent cash and 50 per cent in goods.

Rubber and Tin Important

On a different plane are the European merchant or trading houses—import-export firms, bankers and shippers. The European firms with their contacts abroad import western manufactured consumer goods for distribution locally and in neighbouring countries by Chinese Kongsies or groups of traders. The Chinese firms import local produce for sale to the European firms, who in turn re-export to Europe and North America. The basis of the European firm's business, on which the prosperity of Singapore itself depends, is the trade in two main products—rubber and tin. Any pronounced fluctuation in demand for those products, with consequent effects on price, has repercussions on the value of this trade and on the economy of the island generally. There are thirteen rubber milling industries in Singapore processing the raw rubber from Indonesia, Malaya and Borneo and exporting over 100 thousand tons of remilled rubber a year. Singapore and Penang also import tin-in-ore (7,948 tons in 1952 and 8,648 in 1953) for smelting in the two tin smelters. With the 58,000 tons from the Malayan smelters, the tin smelting industry has made Singapore one of the greatest distributing centres for tin metal and has benefited the large shipping, banking and merchant interests of the island.

One of the few modern-day restraints on Singapore's free trade is import control on goods from hard currency countries, including Canada. Few dollar goods figure in Singapore's entrepôt trade because it is felt that the sterling area would lose scarce dollars if Canadian and United States products were imported for re-export.

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commodity notes

Argentina

MOTORS—Messrs. Industria Aeronautica y Mecanica del Estado (IAME) has announced that it has developed a motor which is the only one of its kind produced in South America. Designed by Argentine technicians, it is a four-stroke, air-cooled type V8, 100 h.p. and 4,000 r.p.m., weighing 200 kilograms with 6·5:1 compression using 75-octane gasoline and 7·25:1 compression with 80-octane gasoline. The motor is now being tested and is expected to help greatly in the development of Argentina's new automotive industry—Buenos Aires, June 15.

TUNGSTEN—Argentina's production of tungsten concentrates amounts to about 1,800 metric tons a year. About 80 per cent is in the form of wolframite ore concentrated to 65 per cent, and the remainder is scheelite concentrated to 55 per cent. The Second Five Year Plan contemplates increasing production to 5,000 tons of concentrates, and it is expected that new concentration plants and other equipment will be bought soon to get this program under way—Buenos Aires, June 15.

Australia

MOTOR CARS—In relation to the population, Australians have more motor cars than all but three other nations. In 1952 there were 124 cars registered in Australia for every 1,000 of population, compared with 149 in New Zealand, 161 in Canada and 275 in the United States. Sweden, the fifth car-owning nation, possessed 51 cars per 1,000 and the United Kingdom 49.

During 1953 there were 103,085 new cars registered in Australia, which increased the total number of cars, excluding commercial vehicles, to 1,147,000. New registrations during the year were slightly more than those of 1952 which numbered 102,015. Fewer import restrictions, full employment and the general prosperity all contributed to the high rate of registrations, particularly in the last four months of 1953 when new registrations averaged over 10,000 a month—Melbourne, June 14.

Brazil

IRON ORE—Although iron ore exports dropped, the Cia. Vale do Rio Doce showed a profit in 1953 of Cr.$223·9 million, compared with Cr.$181·9 million the year before. This increase is the result of higher U.S. prices of $18 and $18.50 per ton, as well as Cr.$10 premium above the official dollar price. Production and exports in 1953 were 2,017,353 metric tons and 1,384,100 metric tons respectively, compared with production of 1,794,870 tons and exports of 1,507,013 tons in 1952—Rio de Janeiro, June 17.

COTTON—The 1954 Paulista cotton crop has been estimated at 48 million arrobas, a 10 per cent increase over the previous crop. This prediction is based on an expected yield of 136 arrobas to the alqueire, compared with a 1953 yield of 109 arrobas per alqueire, because of improved production methods—São Paulo, June 14.

Indonesia

COFFEE—Indonesian coffee sales to the United States during the first two months of this year amounted to 1·6 million pounds, as reported by the Indonesian Information Office in New York. This was a 1,500 per cent increase compared with the same period in 1952. British East Africa had the second largest percentage sales increase, with 950 per cent, as Brazil's big frost turned American coffee importers to new sources of supply. Until last year only trickles of Indonesian coffee arrived in the United States, although for many years Indonesia has been a supplier to the Netherlands, Australia and other areas—Djakarta, June 10.

Mexico

RICE—Production of rice has declined by over 50,000 metric tons during the past five years. The Secretariat of Agriculture reports that 217,600 acres were under cultivation in 1953-54, compared with 270 thousand acres in 1949. Production in 1949 consisted of 84,640 metric tons of unhusked and 121,862 tons of polished rice; comparative figures in 1953 were 52,000 and 100,428 tons. Exports, which totalled 47,218 metric tons in 1949, dropped to 2,000 tons in 1952 and to two tons, for experimental purposes, during 1953—Mexico City, June 21.

SUGAR—Japan, the United Kingdom, and Germany are among current buyers of Mexican sugar. The U.K. and Germany will receive between 20,000 and 25,000 metric tons each and Japan 50,000 tons from

the new crop which reached a total of 830 thousand tons. Mexican production will increase to one million tons a year within the next three years, the National Bank of Foreign Trade anticipates, and the Bank stresses the need for the establishment of steady markets abroad—Mexico City, June 21.

South Africa

GASOLINE—In spite of higher prices for gasoline, South Africa's imports during 1953 showed a steady increase. For the first eleven months of 1953 they totalled 326·5 million gallons valued at about £15 million—18 million gallons larger in volume and £1 million in value compared with the same period of 1952—Cape Town, June 19.

PINEAPPLES—The latest statistics show a tremendous expansion in the South African pineapple industry since the last war. Total output has expanded from 10,000 tons in 1938-39 to an estimated 75,000 tons in 1953-54. Large new plantings should result in a further increase of 10,000 tons in the next season. Canning factories, which handled only 4,000 tons in 1938-39, processed 37,589 tons in 1952-53. Shipments in the fresh state amounted to 75,000 boxes in 1950 and jumped to 273 thousand boxes the following year. The value of the pineapple production to the farmer is estimated at £1·3 million in 1953-54 as against only £80,000 in 1939—Cape Town, June 19.

WOOL—A larger wool clip combined with higher prices brought an increased income of £4·6 million for the first nine months of the present season. From July 1st last year to the end of March more than 226 million pounds of wool were sold, an increase of 10 million pounds over the corresponding period of 1952-53. The average price was 59·2d. per lb. compared with 56·9d. the previous year—Cape Town, June 19.

United Kingdom

STEEL—British steel mills in May reached a new record production peak for the third successive month. Weekly average output reached 374,500 tons (19,476,000 tons a year) compared with 368,300 tons a week in April and 364,800 tons in March. In pig iron, the weekly figures were 231,000 tons (12,033,000 tons a year) during May and 232,100 tons in April. The Iron and Steel Board has stated that there should be sufficient mill capacity for the production of 18·5 million tons of steel in 1954, if this output is required. Actual production in 1953 was 17·6 million tons and in 1952, 16·4 million tons. British mills are operating to capacity, chiefly on the strength of sustained home demand, and steel imports have fallen. There is still a shortage of some types of steel which should provide future scope for expanded mill capacity—London, July 2.

United States

MACHINE TOOLS—Statistics reveal that New England has more machine tools installed in its metalworking plants than any other region in the United States. A total of 326,657 units, approximately one-sixth of the nation's machine tools, are at work in this region's factories. Many of the country's leading machine tool builders, whose names are familiar throughout the world, are located in New England. The region is also a leading producer of small tools, cutting tools and gauges and is the home of a large number of tool and die shops. In 1939 there were 316,700 workers in the New England metal-using industries and by 1953 this figure had grown to 640 thousand. The number of metal-using establishments grew from 2,812 to 7,800 between 1939 and 1954—Boston, July 8.

West Germany

LOCOMOTIVES—The 1953 production of the German locomotive industry amounted to DM.234 million, compared with 185 million in 1952. Exports increased from DM.100 million in 1952 to 145·7 million in 1953—almost two-thirds of total production. The breakdown of 1953 exports was as follows: steam railway locomotives, DM.71 million; diesel locomotives, DM.43 million; tenders, DM.10 million; locomotive boilers, DM.6 million, and spare parts, DM.11 million. Indonesia and India were the main customers during 1952, but exports to South Africa ranked first last year with purchases amounting to DM.57·7 million. Other important buyers were: Brazil, DM.14 million; Finland, DM.10 million, and Sweden, DM.10 million—Bonn, June 28.

MACHINERY—Since the end of 1953, the value of German machinery export contracts concluded has increased; total contracts concluded during 1953 were 4·3 per cent below the 1952 figure. The VDMA (Machinery Producers' Association) reports that the large machinery exports, which reached a new record of DM.4 billion in 1953 exceeding the 1952 value by more than 10 per cent, were the result of the large volume of unfilled orders from previous years. Germany succeeded in increasing its share of the world machinery trade from 16 to 18 per cent in 1953, and the United States and the United Kingdom, with shares of 38·6 and 20·6 per cent respectively, kept their leading positions—Bonn, June 24.

Credit Conditions in Europe

Greater financial stability in continental Europe, plus growing exchange reserves, have bred the strongest credit conditions since the war. In one or two cases, however, credit caution remains the safe course for the exporter.

THE FUNDAMENTAL financial and economic circumstances that constitute the basis for credit conditions are, for members of the Continental European trading community, more reassuring this year than at any other time since the war. (This survey excludes the Communist bloc.) The favourable commercial atmosphere in almost all these countries has stimulated a domestic business confidence that, quite reasonably, begets a corresponding confidence in overseas suppliers. The foreign exchange position of the Western European group of countries, in terms of gold and dollars, is still improving, giving substance to the hope that currency convertibility may come soon.

The stronger position attained by European countries has meant a decline in the importance of the political element in credit calculation. Already several countries in the area have responded to their newly won domestic and international financial stability by relaxing controls over currency operations and over the source and volume of imports. The liberalization of dollar import controls by the Benelux countries and by Western Germany are recent striking instances. It is a safe generalization for Canadian exporters to Europe that the risks of suddenly intensified dollar import controls, cancellation of valid import licences, or suspension of exchange allocation privileges are much less than they have been in recent years. It is equally reassuring to realize that the greater economic stability in these countries imparts a greater political stability that, with few exceptions, gives a secure background for the conduct of business.

Special Cases

The review of business conditions in Europe contained in the June 26th issue of *Foreign Trade* gives details on each country's industry and agriculture, trade and balance of payments experience for 1953, with an indication of trends developing in 1954. Of all the countries reviewed, only Norway's economic condition deteriorated last year. The depression that seemed to be taking hold in Finland early in 1953 was arrested before it went too far and a decidedly better position was achieved by the end of the year.

Turkey is a special case from a credit standpoint. The economy is certainly making tremendous strides, but the development of the country is being achieved by the re-equipment of agriculture and industry with imported machinery. This has put the trade balance into heavy, persisting deficit. Turkey has consequently suffered from an acute shortage of foreign exchange for the past two years, and has accumulated heavy commercial arrears awaiting exchange coverage. There is no evidence yet of Canadian exporters being involved in this queue of overdue accounts but credit caution is advisable. Exporters to Turkey should engage only in careful dealings with sound buyers on reasonable terms, making sure that the orders are fully supported by adequate official guarantees of foreign exchange cover.

Greece warrants special comment because it is only since the middle of 1953 that dollar goods on documentary collections could enter that country. In that brief period Canadian exporters have had good credit experience, giving them confidence in the orderly management by Greek officials of import licensing and exchange rationing, and also of the reliability of traders.

The Export Credits Insurance Corporation reports that periodic problems have arisen, as always, in different European countries involving collections on particular accounts, but that overall credit experience has been very good. The orderliness of official administration in European countries and the dependable manner in which well established businesses conduct their affairs combine to give the countries in that area a high credit rating.

Summary of Changes and Conditions

Country	*Exchange Position*	*Business and Credit Conditions*
Austria	much improved	fairly good
Belgium-Luxembourg	little change	good
Denmark	weakened	good
Finland	recovering	improving
France	fairly satisfactory	good
Germany	stronger	good
Greece	improved	improving
Iceland	difficult	fair
Ireland	improved	fairly good
Italy	little change	fairly good
Netherlands	much improved	good
Norway	weakened	fairly good
Portugal	little change	good
Spain	difficult	fair
Sweden	little change	good
Switzerland	stronger	good

German Markets for Canadian Tobacco

Canadian tobacco growers may find in West Germany a good outlet for their cigarette tobacco, following the recent opening of this market to raw tobacco from the dollar area.

WM. VAN VLIET, *Agricultural Secretary, Bonn.*

WEST GERMANY'S RECENT ACTION in liberalizing raw tobacco imports from the dollar area opens this market for the first time to Canadian tobacco growers. Developing this market may present problems because of the established position of the United States product, on the one hand, and the tendency towards increased consumption of Oriental-type cigarettes on the other. Nevertheless, because West Germany buys abroad more than 97 per cent of the raw tobacco which its cigarette manufacturers process and ranks second only to the United Kingdom as a tobacco importer, it should offer distinct possibilities as a long-term outlet for the Canadian-grown product.

Predominant among tobaccos imported for cigarettes is the Virginia type, though recently there has been some shift towards Oriental, which was all-important in prewar days. Cigar and pipe tobacco leaf comes mainly from domestic production, supplemented by a limited proportion of imports.

Despite progressive increases in recent years, the per capita consumption in West Germany is still below prewar for most major forms of tobacco.

Per Capita Consumption of Tobacco Products

	1936	1948	1949	1950	1951	1952
Cigarettes, number	720	226	471	476	553	589
Cigars, number	125	33	48	81	85	90
Fine-cut tobacco, grams	225	158	342	324	316	288
Smoking tobacco, grams	246	46	111	101	100	92

German cigarette manufacturers feel confident that for some years at least their output will increase. They express the view that potential demand will permit consumption to increase considerably above prewar, as it already has in most other countries.

In June of 1953 the tax on cigarettes was reduced by about 25 per cent and in the nine months following, production increased about 25 per cent. Present consumption is estimated at near the prewar level.

The proportion of cigarette sales according to the retail price is as follows: (November 1953) (One pfennig=·233 cents Canadian, approximately.)

	% of Sales
$7\frac{1}{2}$ pfennig per cigarette	2 per cent
$8\frac{1}{3}$ " " "	84 " "
10 " " " and over	14 " "

Tax on Cigarette Tobacco

It is worth noting that the tobaccos used for the $7\frac{1}{2}$ pfennig cigarette are subject to a special reduced tax. One type of this cigarette is produced from foreign tobacco only and another from a blend of foreign and domestic tobaccos. Production is limited to the medium and small-sized firms and is not to exceed 15 million units monthly per firm. Actual production has only been a fraction of the permissible limit, indicating that this measure has not succeeded in its twofold purpose of assisting smaller manufacturers and stimulating use of domestically produced tobacco.

Per Capita Cigarette Consumption in Various Countries

Country	1937	1951
Germany	720	553
Denmark	497	918
Netherlands	462	883
Austria	614	970
Sweden	322	621
Switzerland	462	1,476
United Kingdom	....	2,200
United States	1,300	2,500

The popular cigarette smoked in Germany is the Virginia blended, which accounts for more than 80 per cent of production. It is largely composed of Virgina-type tobacco but with varying proportions of Oriental which, in certain cigarettes, is reported to be as high as 45 per cent. It averages considerably less. Only a small percentage of German-manufactured cigarettes are produced entirely from the Virginia-type tobacco.

The increase in consumption has been accompanied by a decided increase in the proportion processed solely from Oriental tobacco. Between June of 1953 and February of 1954, sales of Oriental cigarettes increased from 4 per cent of the total to 16 per cent.

Germany produced 28,000 tons of raw tobacco in 1953, thereby covering approximately one-third of total manufacturing requirements. However, this went largely into cigar and pipe tobaccos.

Imports by Countries

Country	1937* (tons)	% of total	1952 (tons)	% of total	1953 (tons)	% of total
United States	4,336	4·8	24,067	47·0	24,289	43·2
Greece	20,990	23·3	6,781	13·1	9,832	17·5
Turkey	10,836	12·0	5,906	11·5	6,496	11·6
Brazil	13,884	15·4	5,511	10·7	4,941	8·8
Indonesia	20,826	22·8	2,705	5·3	3,072	5·5
Colombia	1,345	1·5	2,337	4·6	2,178	3·9
Bulgaria	11,810	13·1	91	0·2	40	0·1
Yugoslavia	445	0·5	....	....	....	....
Others	6,081	6·6	4,045	7·6	5,397	9·4
Total	90,355	100·0	51,443	100·0	56,245	100·0

* 1937 statistics cover German Reich.

The maximum tobacco acreage is fixed annually by the Federal Ministry of Food and Agriculture in co-operation with provincial, industry and farm representatives. The 1953 quota was 11,000 hectares but only 9,517 hectares were used. For 1954 the maximum allowed is 12,000 hectares.

The basis of taxation on cigarettes gives preference to domestically grown tobacco over the imported; consumer demand for the cigarette so produced has remained limited and total use is estimated to be less than 3 per cent.

Import Structure Changing

The table above covers all imports of raw tobacco by principal countries. Brazil, Indonesia, Cuba, and the Dominican Republic are major sources of cigar and pipe leaf. Imports from other countries listed are confined largely to the raw product for cigarette manufacture.

The United States is by far the most prominent supplier, accounting in 1953 for 43·2 per cent of all raw tobacco imports; in 1937, the corresponding figure was 4·8 per cent. Up to 1951 the United States had a considerably greater proportion of total imports even though the volume was close to the present one.

This postwar position is the result of a combination of available world supply and consumer preference. Germany's prewar trading pattern for cigarette tobacco was very closely tied to the Balkans and Near Eastern countries, with the result that the domestic market was supplied almost exclusively with straight Oriental-type cigarettes. In the years following 1945, American brand cigarettes became well known on the German market and the United States, through the Marshall Plan and other programs, offered the major means of financing imports of raw tobacco. A Virginia-type cigarette composed mainly of U.S. tobacco but with varying proportions of Oriental dominated the market completely until the last two years.

Greece and Turkey are now in a strong position to supply Germany's requirements of Oriental tobaccos. This is a pattern of trade which Germany is encouraging because these are important markets for German manufactured goods. Nevertheless, Germany's action in liberalizing raw tobacco imports from the dollar area now leaves the comparative future position between the Virginia and Oriental-types to industry promotion and consumer demand.

Luxembourg in 1953

Luxembourg, with a population of about 300 thousand, is Belgium's partner in an economic union though Belgium's population is almost thirty times greater than that of her neighbour.

Luxembourg owes its comparatively high standard of living to its steel industry, which accounts for 60 per cent of its industrial production. The Luxembourg steel industry was less active in 1953 than in the year before because of a falling-off in orders from abroad. Only 23 of the 32 blast furnaces in the country were being used at the end of the year and the result was a lowering of prices on export sales, though these reductions were not as important as those of 1952.

A slightly smaller quantity of iron ore was extracted in 1953 and exports went down from 3 million to 2·6 million tons. This fact, combined with the slowing-up in heavy industry, meant a smaller volume of freight carried by the railways.

The textile industry, however, was active. In fact, textile production in 1953 exceeded that of 1952 by 16 per cent. The building industry prospered, as did the tanneries, tobacco and clothing industries. Agriculture was considered on the whole to be satisfactory.

General notes

Argentina

STEEL ALLOYS PLANT—The Argentine Ministry of Industry and Commerce has authorized the establishment of Messr. Acereria Santa Fe, for the production of steel alloys such as chrome nickel and silico manganese, using electric furnaces. A forging plant will also be set up to use the production of this mill to make parts for agricultural machinery, engines of all kinds, and railway cars. The major part of the prime materials to be used will come from local sources—Buenos Aires, June 28.

Australia

FAVOURABLE TRADE BALANCE—Australia had a favourable trade balance of £169 million for the first 11 months of 1953-54, in comparison with £325·2 million for the same period in 1952-53. The smaller balance this year resulted from higher import costs and lower export earnings. The statistics show that, in the 11 months to May 31st, exports earned £773·8 million and imports cost £604 million, compared with the first 11 months of 1952-53 when exports earned £796·3 million and imports cost £471·1 million. The Federal Government's relaxation of restrictions during this financial year has resulted in increased imports from all except dollar countries—Sydney, June 25.

ASBESTOS INDUSTRY SEEKS TARIFF PROTECTION—The Commonwealth and West Australian Governments and Australian Blue Asbestos Ltd., a subsidiary of the Colonial Sugar Refining Company, have spent slightly more than £2 million developing the asbestos industry at Wittenoom, Western Australia. Production is now 4,500 tons of fibre a year and the industry is seeking tariff protection. The market overseas for asbestos fibre has deteriorated; the selling price of asbestos produced at Wittenoom is now 20 per cent above the world price for this grade of fibre. With greater production, the company can reduce its selling price to current world price, but it considers protection on the Australian market necessary in order to maintain some measure of stability. At present, Australia uses about 30,000 tons a year of asbestos fibre of various types, imported duty-free.

The company has asked the Tariff Board for a duty on imported fibre but has proposed a complete rebate of such duty when Australian blue asbestos is used with the imported material to the extent of 15 per cent of the total fibre—Melbourne, July 2.

HIGHER TARIFFS ON FOREIGN TOYS SOUGHT—An increase of up to 40 per cent in tariffs on imported toys has been sought. The Federal tariff officer for the Associated Chambers of Manufacturers of Australia claims that the unrestricted entry of Japanese and German toys into Australia is practically eliminating the Australian toy industry. Imports of toys have risen from 20·6 per cent in 1948-49 to 50·3 per cent in 1951-52 and Australian manufacturers are rapidly losing their markets to overseas producers—Sydney, June 23.

Cuba

RECORD TOURIST YEAR—The year 1953, according to the Cuban Tourist Commission, was a record tourist year with 230,974 visitors spending an estimated US$49·9 million. Number of tourists in 1951 was 216,627 and in 1952, 220,395. Tourist spending demonstrates the great importance of the industry to the Cuban economy, second only to the great sugar-producing industry. Credit for the continued growth in the tourist trade goes to the Cuban Tourist Commission's publicity campaigns abroad—Havana, June 24.

Ethiopia

EXPORTS DOUBLED—First-quarter trade returns for the Ethiopian year 1946 (September 11, 1953-December 9, 1953) reveal that exports were more than double those of the comparable period last year. This is normally a slack season for Ethiopian exports and the increases were largely the result of much larger coffee shipments. During the three-month period, coffee sales alone amounted to Ethiopian $20·9 million—Cairo, June 29.

Indonesia

COPRA SALES OFFICE CLOSED—According to an announcement by the Copra Foundation, the sales office of the Copra Board at Amsterdam was closed on May 25th. Since then, all contracts on copra sales are being made by the Central Office of the Copra Foundation at Djakarta—Djakarta, June 3.

Israel

MANUFACTURES FROM GERMANY—During the fiscal year ending March 1955, Western Germany will supply Israel with a variety of industrial and agricultural products, and also finance in sterling large shipments of crude oil. The total value of this trade, to be financed with reparation funds made available to Israel by Western Germany, will exceed Can.$54 million. A brief breakdown of the various groups of products is as follows: DM 43 million (Can.$9·9 million)—iron and steel, non-ferrous metals and steel strip for irrigation pipes; DM 40 million (Can. $9·2 million)—steel-working and industrial equipment, heavy equipment; DM 47 million (Can.$10·8 million)—chemical and other industrial goods, including pharmaceuticals, mining goods and precision instruments; DM 30 million (Can.$6·9 million) —agricultural products, including breeding cattle, seeds and raw materials for agricultural industries; DM 75 million (Can.$17·3 million)—crude oil purchases from British oil companies—Athens, June 21.

Rhodesia and Nyasaland Federation

CENTRALIZATION UNDER WAY—Plans are under way for the establishment of a Central Bank for the Federation of Rhodesia and Nyasaland which will be in operation by mid-1956. The project calls for the Central Bank to co-operate with the Federal Treasury in sponsoring, encouraging and directing public spending on projects of long-term importance to the Federal economy. The Federation's Ministry of Commerce and Industry has, from April 1st, assumed general control of imports, exports, external trade relations and price control. Interchange of products of the Rhodesias and Nyasaland, except excised items, has been freed from all restriction, and a "buy Federation" policy has been established in connection with public spending—Johannesburg, June 15.

South Africa

NATIONAL INCOME HIGHER—Net national income for the year ending June 30, 1953, was 8·6 per cent above the comparable figure for the previous year. Principal factors in the record total of £1,247 million included (all figures in £1 million): manufacturing, £346·2; trade, £175·3; mining, £174·2 and transport, £109·4—Johannesburg, June 24.

IMPORTS HIGHER—Imports during the first four months of 1954, valued at £150 million, were about £7 million more than in the same period last year. Imports for the public account have not altered appreciably and the up-turn in value indicates greater availability of import permits to private enterprise. Exports have nominally decreased because of the disappearance of the export trade in processed and semi-processed gold but, for balance-of-payment purposes, these commodity shipments have been replaced by an equivalent value of bullion —Johannesburg, June 30.

United Kingdom

TRADE GAP NARROWS—Total United Kingdom imports for May reached £237·9 million, of which £9 million were re-exports. Average exports per working day were down slightly from April. The monthly average exports for April and May were 1 per cent higher than for the first quarter of 1954 and 8 per cent higher than in the second quarter of 1953. Imports fell again in May, resulting in an adverse balance of trade of £42·5 million, compared with £51·3 million in April. Average monthly trade deficits during the first five months of this year are 33 per cent below the average for the first half of 1953—London, July 5.

PRODUCTION INDEX UP—United Kingdom output in the first four months of this year was almost 6 per cent higher than in the same period last year. The Central Statistical Office's index of production (1948=100) in April stood at 124-125, compared with 118 in April 1953. The climb in production from January to April was lower than the 7 per cent increase during the last quarter of 1953, but above the average rise for the whole of 1953 of 5·3 per cent. The outstanding increases were in building materials, sulphuric acid, iron and steel ingots, cars, electrical appliances and rayon—London, July 5.

United States

NEWSPRINT FROM HARDWOOD—Southern papers have announced the release by the United States Department of Commerce of a report on the economic feasibility of using hardwoods for newsprint. The experiments were conducted by the United States Forest Products Laboratory with the co-operation of a number of leading Canadian paper companies and consultants.

The report deals with the use which can be made of birch, beech, maple and cottonwood. Cottonwood is of particular interest to the Southern States because it grows freely in the bottom lands of the Mississippi and is considered a fast-growing commercial tree; the average 15-year yield is about 300 cubic feet per acre. It is suggested that it could be grown on the batture lands of the Mississippi, i.e., those lands which lie between the levee and the river and which might be made to yield about 4·8 cords per acre a year. An estimated two million acres of such land are suitable for this purpose—New Orleans, July 8.

Britain Swings Towards Self-Service

British retailers are becoming conscious of self-service techniques as rationing disappears. Consumer appeal takes on a new importance and emphasis is on better labelling and packaging and on saving the shopper's time.

B. M. FILLMORE, *Office of the Commercial Secretary (Agriculture), London.*

WITH FOOD RATIONING AND CONTROLS a thing of the past, the British housewife can for the first time in 15 years shop with complete freedom. Progressive improvement in the United Kingdom's financial and economic position has eliminated most food shortages and increased the selection of foods available. The days have gone when the shopper was glad to accept whatever was offered and to the coming generation they will be only a legend. Growing up today is a system new to Britain but common in North America, self-service. Many housewives are finding that it saves time, gives full play to the almost forgotten element of competition, and encourages better packaging and cleaner stores.

A Postwar Development

The development of self-service marketing is almost wholly postwar. Early attempts to introduce it were quickly extinguished with the outbreak of war, which almost completely wiped out individual tastes and preferences. The source of Mrs. Jones's groceries was not important so long as she could get them. In many cases, a necessary zoning of distribution restricted the variety of brands; for some products only utility, substitute, and national brands were on the shelves. Mrs. Jones had little choice and had to give up her points and coupons in exchange for the weekly ration. For 15 years, for certain produce, she was tied to her retailer by statutory order.

Success Stories

The trade journal *Self Service* estimates from a recent survey that there are 2,000 shops in Britain now operating by this method and the rate of conversion is increasing. About 34 per cent of the self-service stores are in London and southeastern England, about 21 per cent in Northern England, 15 per cent in the Midlands, and 10 per cent in Scotland. The remainder are in the western half of the country. The disposition of these stores throughout Great Britain suggests that the system closely follows, and operates most successfully in, industrial and densely populated areas.

There are several reasons for the advance of the self-service movement in Britain. Last year the Anglo-American Council on Productivity published the report of a team which studied retailing methods in the United States. This report advanced the view that the U.S. had adopted self-service because it brings with it increased turnover and a more economical use of labour. This has proved to be the case in Britain also and the publication of the report gave impetus to the development. A number of success stories have appeared, telling of phenomenal increases in turnover. In one case, a store with a weekly business of $500 changed over to self-service and after a time the takings levelled off at $2,500 a week. In a year, the figure had risen to $4,700 and at the end of the second year to $6,000. Not all the examples are as sensational, but they show turnover increases of 20, 30 and up to 100 per cent without extra staff. The end of rationing gave further incentive to growth.

Shopping Habits

Another encouragement to continued development is the saving of time which self-service makes possible. During and since the war there has been an increasing tendency for women to continue working after marriage. The speed and ease of service at these stores, concentrated in industrial areas, are a particular advantage compared with the wartime drudgery of queueing. The working housewives can now get more pleasure out of the mundane duty of shopping.

The general feeling among operators in this field—and this was confirmed by the report of the productivity team which went to the U.S.—appears to be that Britain should not attempt to imitate too closely the North American pattern of self-service. Building developments in the United Kingdom are governed by the Town & Country Planning Act and the restricted space has not permitted development on the supermarket scale. The average British housewife does not go shopping by car to lay in a week's or fortnight's groceries, nor is the domestic refrigerator a standard fitting in the average household. Domestic deep-freezers are practically unknown. The housewife shops, on an average, two or three times a week and the practice of giving discounts for quantity or size is not general.

—Courtesy "Self Service".

Here is a typical co-operative store in London which has been converted to self service. The co-operatives have taken the lead in developing this type of merchandising.

The space problem may not be so acute, however, in the new satellite towns developing in various parts of the country, such as Crawley in Surrey, Harlow and Slough in Buckinghamshire, and Hainault in Essex. It is possible that these will provide scope for experiments on a large scale.

Extended to Other Commodities

Price cuts as a result of self-service economies are not generally prevalent in Britain. Many of the pre-packed goods fall within the sphere of price maintenance, a factor which is more in evidence in retail trade than it is in North America. Financial disaster and the cutting off of supplies may result from attempts to operate on reduced margins. Self-service selling is, however, being extended to such commodities as pre-packed fruits and vegetables, hardware and paint (the two latter are profiting from a boom in home decorating). Now that meat is no longer rationed, many self-service stores will soon be selling it packaged and displayed in frozen counters, in contrast to the generally accepted older method of exposing the goods for sale—a method which the visitor inclines to think unhygienic.

Early Scepticism

Two-thirds of the development work in self-service is being carried out by the co-operative movements, followed by the chain or multiple stores and lastly by department stores and independent operators. Progress by the independents is limited chiefly because conversion proves expensive.

The traditional method of grocery retailing in the U.K. is the friendly family relationship, with Mrs. Jones stopping by for a chat and an exchange of news. Some people fear that this amosphere will be sacrificed in the interests of efficiency, but the increases in turnover and the continued high rate of store conversions indicate that self-service is here to stay.

Labour Surplus Feared

Another criticism is that the movement will lead to a labour surplus. The Self Service Development Association views this problem on a national basis and points out that, of the 600 thousand employees retailing food, approximately two-thirds may ultimately be involved in self-service. Employees themselves benefit because wage rates are related to turnover.

One of the main psychological deterrents to self-service at the outset was the pilferage problem. However, a cross-section of large and small operators claim that losses in general are not serious. Most of them do not prosecute nor resort to printed warning notices. Many feel that the layout of their stores gives a clear field of supervision and that they have many tricks of the trade to assess the customers at the check-out desks.

Here to Stay

The evidence suggests that self-service is to be a permanent feature of British retailing—the future will determine to what degree. After a decade of shortages, the British shopper is refreshed by the sight of the multiplicity of brands stacked within easy reach on the shelves. Products will now have to sell themselves and this will mean still greater improvements in labelling, packaging, and cleanliness.

Manufacturers realize that the increased turnover with self-service does not necessarily come from increased consumption but from the fact that the customer is reminded of items otherwise forgotten. Nearly all self-service shoppers buy more than they originally intended. And the most attractively labelled and packaged brands will capture the "impulse" buyer.

Packaging Improves

With the disappearance of the ration counter, self-service is leading to the pre-packing of such basic products as meat, bacon and cheese. Already the latter are being displayed in these stores with an indication of the country of origin and the Canadian variety commands a premium. If the same high standard is maintained, this augurs well for the time when other packaged foods from Canada can be sold in free competition on the British market. ●

Maracaibo Serves Western Venezuela

Centre of a rich oil-producing and agricultural region, Maracaibo, Venezuela's second city, ranks as an important distributing centre. Canadians exporting to this area should consider appointing agents there to serve that territory.

F. B. CLARK, *Assistant Commercial Secretary, Caracas.*

THE CITY OF MARACAIBO in western Venezuela serves as the trading centre for 1,600,000 people—some 32 per cent of Venezuela's population. They are the inhabitants of the five western states and because this area contains the greatest number of producing oil wells and is also important agriculturally, a high standard of living prevails. Maracaibo is the port of entry for foreign merchandise and the city has sufficient commercial establishments to serve the entire needs of the area. Border regions in Colombia also use the port of Maracaibo for some of their imports and for coffee exports.

The City

Maracaibo has a population of 240 thousand and is Venezuela's second city in size and importance. It is situated on the northwestern side of Lake Maracaibo, which is actually a gulf of the Caribbean Sea that extends inland for 115 miles with an average width of 70 miles. The weather is hot and humid throughout the year, although from January to March the cooler evenings offer some relief. An air-conditioned hotel was opened last year and provides excellent accommodation for business visitors. Manufacturing in the city is small and varied—chiefly building materials, leather and shoes, ship repair depots, and confectionery. Frequent international flights link Maracaibo with Miami and other Caribbean cities and domestic service includes daily trips to Caracas, to interior cities and to oil camps.

The influence of the United States is more apparent here than in the rest of Venezuela, because of the close association with the Southern States through the petroleum industry. The city has several modern supermarkets and shipping centres, all of which display a wide variety of imported products, principally name-brands from the United States. One store sells bread which is flown from Miami daily and sales are still possible at a retail price for a standard loaf equal to Canadian $1.10. A retail store survey revealed a scarcity of Canadian foods, hardware and household products, and merchants reported that offers from agencies representing Canadian firms were too rare.

Over the past three years an annual average of 350 thousand tons of imports entered at the port of Maracaibo and to handle this volume more efficiently, local officials have asked the Federal Government for improved dock facilities and a new customs depot. The shallow bar at the entrance to Lake Maracaibo prevents passage to the port of ships drawing more than 13 feet. In early 1953 the Federal Government completed plans for a canal 20 miles long through the shallows, involving dredging and diking costs of $48 million and annual maintenance of almost $2 million. Work started in June of last year and the entire project is expected to be completed before September 1955.

The Region

The state of Zulia, of which Maracaibo is the capital, borders Colombia on the west and comprises the basin area of Lake Maracaibo. The principal petroleum camps lie along the eastern shore of the lake and for 40 miles of the drive along the main road to Caracas, the oil derricks can be seen in the lake which borders the highway. Farther south and extending around the

One of the main streets in Maracaibo, a city of 240 thousand which serves as a distribution centre for Venezuela's five western states, which contain 32 per cent of the population.

lake is an important agricultural and dairy district. Chief crops are sugar, cotton, bananas and rice. The mountainous states of Táchira, Mérida, and Trujillo lie south of Zulia and are connected with Maracaibo by all-weather roads. A wide variety of agricultural products are produced in this area; coffee is the principal crop exported. The best coffee in Venezuela comes from these states.

The state of Falcón extends eastward from Maracaibo for 200 miles along the coast. Trading and commercial ties with Maracaibo were strengthened in the last few years when the two leading petroleum producers completed refineries in the western part of the state. Southern and eastern sections, however, have closer business relations with Barquisimeto, the third largest city in Venezuela and capital of the state of Lara. Considerable cargo for Coro, the capital, is carried from Maracaibo by coastal vessels.

These western states cover a large area and are very important to the general economy of the country because of their petroleum and agricultural wealth. An Ontario manufacturer could not expect proper sales coverage of Western Canada without branch offices or local representatives: similarly, export business to Venezuela requires representation in Maracaibo. Sales trips from Caracas involve a two-day auto trip or an expensive air flight. Maracaibo firms, on the other hand, can send salesmen regularly throughout this area and they are never very far from head office. Canadian exporters should review their representation in Venezuela to ensure that they are receiving some business from the Maracaibo region. If a separate agency is considered necessary, a list of suitable prospects can be obtained from the Canadian Commercial Secretary in Caracas, who maintains a complete directory of reliable agents and importers in Maracaibo. ●

trade and tariff regulations

British Guiana

OPEN GENERAL LICENCE—Information has been received that poultry feeds have been placed on Open General Licence in British Guiana. These feeds, therefore, may now be imported freely from Canada.

Colombia

CHANGE IN CONSULAR REQUIREMENTS—Decree No. 867, which required that shipping and consular documents must be legalized by the Colombian Consulate at least 24 hours before the departure of the vessel or aircraft, has been abolished as of June 30, 1954. The Colombian Government has announced that the regulations in force prior to Decree No. 867 are now in effect. Under these regulations, shippers are required to present documents for legalization to the Colombian Consulate or its substitute before 12 o'clock noon of the day before the departure of the ship or aircraft. The penalties for late presentation of these documents under Decree No. 867 are no longer applicable.

Cuba

NEW DUTY-FREE PERIOD FOR SHELL EGGS—By decree effective July 2, imports of shell eggs from all countries are exempted from customs duty and consular fees. This exemption will continue in force until January 15, 1955, and will apply only to eggs weighing not less than 20 ounces net per dozen.

Federation of Rhodesia and Nyasaland

IMPORT CONTROLS—Cabled information has been received from the Trade Commissioner in Johannesburg that a number of additional products may now be imported into the Federation without restrictions. *Foreign Trade* of January 23 listed the products which were already free from import restrictions in Southern Rhodesia. The additional products are:

Animal charcoal
Animal feedingstuffs
Condensed milk
Dried milk
Edible nuts, excluding groundnuts
Infants' food, of milk base only
Olives in brine and in bulk

Canned fish
Hand tools
Mosquito gauze
Outboard motors, over 20 h.p.
Filter plants and filters for purifying and softening water
Hydraulic or electric lifts and gates
Air conditioning machinery and air distributors and inlets for use therewith
Windmills
Insecticides
Medicinal drugs and chemicals, excluding proprietary medicines
Disinfectants
Veneers
Sensitized paper, plain
Fish hooks, excluding artificial lures, flies and spoons

Quotas have been established for the second half of 1954 to import the following goods from the dollar area, up to the values shown:

Wheat	£ 70,000	($ 194,000)
Agricultural machinery	£220,000	($ 609,000)
Mining and industrial machinery	£438,000	($1,214,000)
Commercial vehicles	£455,000	($1,260,000)

India

MARKING REGULATION—The Government of India has made it obligatory for the country of origin to be marked on the containers or coverings of "parts, spare parts and accessories of apparatus and appliances, electric and all kinds". In the case of electrical accessories, the markings should be on the goods themselves. Where this is not feasible, marking should be indicated on the container. This regulation comes into force on September 1, 1954—New Delhi, June 12.

Japan

IMPORTS UNDER FOREIGN EXCHANGE FUND ALLOCATION SYSTEM—Import Notices Nos. 13 and 14, issued by the Japanese Ministry of International Trade and Industry on June 12 and 22 respectively, announce that licences will now be issued for specified commodities under the Foreign Exchange Fund Allocation System. According to the notices, the following goods may be imported from the U.S. dollar currency area, which includes Canada: hides and skins; resin; automobiles (including autobicycles); lubricating oil (including waste petroleum oil).

The importation of the goods mentioned in the notices will be effected upon proof of acquisition by an importer of a foreign exchange allocation from the Minister of International Trade and Industry. The closing date for receiving applications for licences in each case is September 30, 1954.

Previous notices regarding import control policy were published in "Foreign Trade" of May 29, page 27, and June 26, page 36.

IMPORTS UNDER FOREIGN EXCHANGE FUND ALLOCATION SYSTEM—Import Notice No. 11, issued by the Japanese Ministry of International Trade and Industry on May 13th, announces additional commodities which may be imported under the Foreign Exchange Fund Allocation System. Import licences for the commodities listed in the notice may be effected upon proof of acquisition of a foreign exchange allocation from the Ministry. The closing date for receipt of applications for import licences in each case is September 30, 1954.

Items which may be imported from the U.S. dollar currency area, which includes Canada, are as follows: potassium salt; crude oil; gasoline; fuel oil, gas oil and lamp oil.

Previous notices regarding import control policy were published in "Foreign Trade" of May 29, page 27, and June 26, page 35.

New Zealand

INCREASED QUOTAS FOR WOODEN HANDLES FOR TOOLS—The New Zealand Department of Customs has announced that the existing allocation for wooden handles for tools from Canada and the United States has been increased from 50 per cent of 1953 licences to 75 per cent of 1953 licences.

Licences for wooden handles for tools may be used to import approved types of artificers' tools from the dollar area.

Details of the approved artificers' tools may be obtained from the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

Pakistan

IMPORT CONTROL POLICY FOR JULY-DECEMBER 1954—Pakistan's import licensing policy for the July-December 1954 licensing period was announced on July 10.

Advice has been received by cable that the following items are now licensable from the dollar area: second-hand clothing; asbestos sheets, asbestos manufactures; radio spare parts; mineral oils; unmanufactured tobacco; new motor cars and station wagons.

The following items are no longer licensable from the dollar area: parts of domestic refrigerators; fountain pens; ships and vessels.

Further details will be available from the International Trade Relations Branch when the official text is received.

South Africa

REPRESENTATIONS ON TARIFF—It has been announced in South Africa that the following representations have been received by the Board of Trade and Industries respecting increases in the South African tariff.

Representations for an increase in duty on:

Fishing nets, from duty-free to 15 per cent.
Wire netting

(*a*) for fencing, 3 inch mesh, from duty-free to 20 per cent;

(*b*) up to ½ inch mesh, from 6s. 3d. to 25s. per 100 lb.;

(*c*) over ½ inch mesh, but not exceeding 1 inch mesh, from 4s. 3d. to 12s. 9d. per 100 lb.; and

(*d*) over 1 inch mesh, from 4s. to 12s. per 100 lb.

Representations for the bringing into operation of a suspended duty on:

Women's fully-fashioned stockings to the extent of 10 per cent.

(Provision exists in the South African tariff for an additional duty of 10 per cent on fully-fashioned stockings. This is called a suspended duty and has not yet been brought into effect. This representation is for the bringing into operation of the additional duty. The present duty on these articles is also 10 per cent.)

Interested Canadian firms may wish to have their views on tariff inquiries placed before the Board of Trade and Industries. The most effective method of making representations is for Canadian firms to request their representatives in South Africa to act on their behalf before the Board.

IMPORT RESTRICTIONS ON CONSUMER GOODS RELAXED—Cabled information has been received that the quota for imports of consumer goods has been increased. The quota is now 45 per cent of 1948 imports. Individual importers in South Africa may now use their entire quotas to import from the dollar area.

IMPORTS OF MOTOR VEHICLE PARTS—The South African Directorate of Imports and Exports has allocated an additional £S.A.722,000 ($2 million) for imports of automotive spares and parts. This represents an additional £S.A.1 ($2.77) for each motor vehicle in the Union; the motor vehicle population of the Union is 727,350. With this increased allocation, the total of motor vehicle spares permitted import into the Union this year is £S.A.7,694,000 ($21,312,000).

Switzerland

CUSTOMS DUTY ON PLYWOOD—The Swiss customs duty on plywood over 35 millimetres in thickness and not veneered with fine wood has recently been increased from 10 to 25 francs per 100 kilograms. "Fine woods", for the purpose of this tariff definition, are maple, oak, mahogany, cherry, chestnut, ash, walnut and elm—Berne, June 22.

United Kingdom

LICENSING ARRANGEMENT FOR MAIZE STARCH—The Board of Trade, in Notice to Importers No. 663, announces that, effective July 1, 1954, imports of maize starch are permitted into the United Kingdom under Open Individual Licence. Under this licence, British importers are allowed to buy from any country, including Canada, without limit of quantity or value.

United States

CUSTOMS REGULATIONS ON IMPORTS SUBJECT TO QUOTA—On January 23, 1954, the United States Treasury Department issued an amendment (TD 53398 Vol. 88 No. 52 of the weekly Treasury Decisions) to Section 8·5 of the Customs Regulations. This amendment, in brief, provided that no merchandise subject to U.S. quota controls (e.g., fish, cattle, grains, dairy products, etc.) could be released under immediate release bond if the shipment arrived at the U.S. Customs point between the hours of 8.30 a.m. and 5.00 p.m. That is, quota merchandise arriving during usual business hours had to be held up until the invoices, carrier certificates and other documents required for entry were delivered to the customs broker. He, in turn, had to prepare and pass the entry, pay the estimated duty and then, when the Customs permit was issued, send the same by messenger to the arrival point before the shipment could be examined and processed for release by Customs. This procedure could involve a delay of from four to five hours minimum before the merchandise could proceed from the arrival station to its destination. In the case of cattle, especially in hot weather, this long delay could be detrimental. Throughout the spring months, the Canadian Commercial Counsellor in Washington made every effort to have this amendment rescinded as Canadian firms and individuals were the ones affected most adversely. Customs Amendment TD 53501 of May 28, 1954, rescinded the January regulation which had caused unnecessary hardship to Canadian shippers. Quota merchandise is once again allowed entry under

immediate release bonds any time of the day. Other customs regulations have been instituted by this same amendment to keep careful control over quota merchandise entries at the close of any quota period, but the new ones will not work the same hardship on Canadian shippers as the rescinded January amendment—Detroit, June 29.

TARIFF ON COD FILLETS UNCHANGED—The President announced on July 2, 1954, that he would not accept the recommendations of the United States Tariff Commission for an increase in the duty on imported groundfish fillets and for a quota on imports in any one year.

The Tariff Commission had made an investigation of the effect of a trade agreement concession on the domestic groundfish fillets industry, under the Escape Clause of the Trade Agreements Extension Act.

The President pointed out that the recent introduction of a new product, fish sticks, demand for which has increased markedly even since the Tariff Commission prepared its report, leads him to believe that consumption of groundfish fillets promises to increase substantially within the next few years. He stated that, "it would be a disservice to the long-run interests of the entire groundfish industry to limit the imports of groundfish fillets in these circumstances. It would hamper and limit the development of the market for the product and jeopardize present prospects for the increase in per capita consumption of fish, which is the key to a real solution of the industry's problem."

TARIFF CLASSIFICATION OF COOKED FISH STICKS—A new and rapidly expanding market is developing in the United States for cooked fish sticks. This product is prepared by sawing a frozen block of groundfish fillets into sticks about three inches long, one inch wide, and three-quarters of an inch thick. These sticks are then rolled in batter, breaded, cooked in oil, and re-frozen. They are sold to the consumer in this form and are ready for consumption simply by heating.

United States producers of fish sticks are largely dependent on Canadian supplies of frozen fillets in blocks. These are dutiable at a rate of 1⅞ cents a lb. within a tariff quota, and at 2½ cents ex quota. The Bureau of Customs has recently ruled that imports of cooked fish sticks are dutiable under tariff paragraph 718(a)—fish prepared or preserved in any manner, packed in oil or in oil and other substances. The rate of duty is 30 per cent. It is held that, since some of the oil in which fish sticks are cooked is retained in the fish, this means that, for purposes of customs classification, the product is packed in oil.

TARIFF QUOTA IMPOSED ON ALSIKE CLOVER SEED—The President issued a proclamation on June 30, 1954, putting into effect certain recommendations of the United States Tariff Commission, made under the Escape Clause of the Trade Agreements Extension Act, with respect to the rate of duty on imports of alsike clover seed into the United States.

The proclamation retains the present duty of 2 cents per pound for the first 1,500,000 pounds of alsike clover imports. For imports above that amount, the rate of duty will be 6 cents per pound. The proclamation states that these rates shall be in force for the twelve-month period beginning on July 1, 1954.

Since 1948, the rate of duty on alsike clover seed has been 2 cents per pound on all imports.

Problem in Mexican Textiles

Loss of foreign markets and declining domestic consumption are sharpening the crisis in the cotton textile industry, one of the oldest in Mexico. Working hours were reduced in all mills in May by agreement within the Chamber of the Textile Industry, and the Chamber appealed to the Government for measures to increase public purchasing power.

To illustrate its difficulties, the industry reported:

- *In recent years, no market has been found for over 100 million metres of cotton goods produced annually.*
- *Exports have declined by 30 per cent compared with the pre-1945 period (not including the transitory boom during World War II).*
- *Production in 1953 was 10 per cent lower than in 1938 but stocks are still accumulating.*
- *The domestic market for cotton goods was "much larger" in 1938 when the population of Mexico was 19 million than it is now, when the population is approaching 30 million.*
- *Average consumption among rural families was 25 metres of cloth a year in 1938; today it is 12·4 metres. Among the industrial population, consumption has also declined by 50 per cent.*
- *Exports, which exceeded 100 million metres during World War II, sank to 59 million metres in 1950 and to 18 million metres last year.*

ARGENTINA
Ottawa—Economic Attaché, Embassy of Argentina, 193 Sparks Street.
Montreal—Consul General of Argentina, 1111 Beaver Hall Hill.

AUSTRALIA
Montreal—Australian Government Trade Commissioner, 1255 Phillips Square.
Vancouver—Australian Government Trade Commissioner, 643 Hornby Street.

AUSTRIA
Ottawa—Chargé d'Affaires a.i., Legation of Austria, 136 Queen Street.
Montreal—Austrian Trade Delegate, 1507 Crescent Street.

BELGIUM
Montreal—Consul General of Belgium, 709 Sun Life Bldg.

BOLIVIA
Montreal—Consul General of Bolivia, 5612 Canterbury Avenue.

BRAZIL
Montreal—Commercial Attaché, Brazilian Government Trade Bureau, Room 302, 400 St. James Street West.

BRITISH GUIANA
Montreal—Trade Commissioner for British Guiana, 37 Board of Trade Bldg.

BRITISH HONDURAS
Montreal—Trade Commissioner for British Honduras, 37 Board of Trade Bldg.

BRITISH WEST INDIES and THE BAHAMAS
Montreal—Trade Commissioner for British West Indies and The Bahamas, 37 Board of Trade Bldg.

foreign commercial representatives in Canada

CHILE
Montreal—Consul General of Chile, 1410 Stanley Street.
Vancouver—Consul of Chile, 550 Beatty Street.

CHINA
Ottawa—Commercial Attaché, Embassy of the Republic of China, 201 Wurtemberg Street.
Vancouver—Consul General of China, 510 Hastings Street West.

COLOMBIA
Ottawa—First Secretary and Consul, Suite 16, Roxborough Apartments.
Montreal—Consul General of Colombia, 443 Prince Albert Street, Westmount.
Toronto—Consul General of Colombia, 499 Oriole Parkway.
Vancouver—Consul of Colombia, 550 Beatty Street.

COSTA RICA
Montreal—Consul General of Costa Rica, 434 Elm Avenue, Westmount.

CUBA
Montreal—Consul General of Cuba, 1117 St. Catherine Street West.

CZECHOSLOVAKIA
Montreal—Commercial Attaché of Czechoslovakia, 1255 Phillips Square.

DENMARK
Ottawa—Royal Danish Legation, 451 Daly Avenue.
Montreal—Consul, Royal Danish Consulate, Room 815, Keefer Building, 1140 St. Catherine Street West.

DOMINICAN REPUBLIC
Ottawa—Consul General of the Dominican Republic, 20 Bower Street.
Montreal—Consul General of the Dominican Republic, Apt. 4, 3201 Forest Hill Avenue.

ECUADOR
Montreal—Consul General of Ecuador, 271 Glengarry Avenue, Mount Royal.

EGYPT
Ottawa—Vice-Consul, Egyptian Consulate General, Room 616, Chateau Laurier.

EL SALVADOR
Montreal—Consul General of El Salvador, Apt. 14, 1452 Bishop Street.

FINLAND
Ottawa—Second Secretary, Legation of Finland, 140 Wellington Street.

FRANCE
Ottawa—Commercial Counsellor to the French Embassy, 464 Wilbrod Street.
Montreal—Commercial Attaché of France, 610 St. James Street West.
Toronto—Commercial Attaché of France, 185 Bay Street.

GERMANY
Ottawa—First Secretary (Commercial Affairs), Embassy of the Federal Republic of Germany, 580 Chapel Street.
Montreal—Consulate General of the Federal Republic of Germany, 1529 McGregor Street.
Toronto—Consulate of the Federal Republic of Germany, 77 York Street.
Vancouver—Consulate of the Federal Republic of Germany, 213-214 Crown Bldg., 615 West Pender Street.

GREECE
Ottawa—First Secretary, Royal Greek Embassy, Suite 110, Chateau Laurier.

GUATEMALA
Montreal—Consul General of Guatemala, 401 Metcalfe Avenue, Westmount.

HAITI
Ottawa—Consul General of Haiti, 18 Rideau Street.
Montreal—Consul of Haiti, 1405 Bishop Street.

HONDURAS
Montreal—Consul General of Honduras, 1117 St. Catherine Street West.

INDIA
Ottawa—Second Secretary (Commercial), Office of the High Commissioner for India, 200 MacLaren Street.

INDONESIA
Ottawa—Commercial Counsellor, Indonesian Embassy, 140 Wellington Street.

IRAQ
The Consul General of Lebanon is in charge of Iraqi interests. See address below.

IRELAND
Montreal—Irish Trade Representative (Irish Export Promotion Board), 1015 Beaver Hall Hill.

ISRAEL
Ottawa—First Secretary, Legation of Israel, 45 Powell Avenue.
Montreal—Consul General of Israel, Bank of Montreal Bldg., 1260 University Street.

ITALY
Ottawa—Commercial Attaché, Embassy of Italy, 133 Sparks Street.

JAPAN
Ottawa—Second Secretary (Commercial), Embassy of Japan, Room 701, Metcalfe Bldg.
Vancouver—Japanese Consulate, 510 Hastings Street West.

LEBANON
Ottawa—Consul General of Lebanon, 470 Wilbrod Street.

LUXEMBOURG
Montreal—Consul General of Luxembourg, 4832 Western Avenue.

MEXICO
Montreal—Consul General of Mexico, Room 506, Castle Bldg.

MONACO
Montreal—Consul of Monaco, Room 35, 35 Notre Dame Street West.

NETHERLANDS
Ottawa—Commercial Counsellor, Embassy of the Netherlands, 168 Laurier Avenue East.
Montreal—Netherlands Consulate, 1103 Castle Bldg., 1410 Stanley Street.
Toronto—Netherlands Consulate, 159 Bay Street.
Vancouver—Netherlands Consulate, 475 Howe Street.

NEW ZEALAND
Montreal—New Zealand Trade Commissioner, Room 609, Sun Life Bldg.

NORWAY
Ottawa—Secretary, Norwegian Legation, 140 Wellington Street.
Montreal—Vice-Consul of Norway, 1410 Stanley Street.

PAKISTAN

Ottawa—Commercial Attaché to the Pakistan High Commissioner, 499 Wilbrod Street.

PERU

Ottawa—Second Secretary, Embassy of Peru, 539 Island Park Drive.

POLAND

Ottawa—Acting Commercial Attaché of the Polish Legation, 183 Carling Avenue.

PORTUGAL

Ottawa—Legation of Portugal, 285 Harmer Avenue.
Montreal—Consul of Portugal, 1499 Bishop Street.

SPAIN

Ottawa—Commercial Office, Spanish Embassy, 149 Daly Avenue.

SWEDEN

Ottawa—Secretary, Royal Legation of Sweden, 720 Manor Road, Rockcliffe Park.
Montreal—Commercial Secretary, Royal Consulate General of Sweden, 1511 Bishop Street.

SWITZERLAND

Ottawa—Secretary, Swiss Legation, 5 Marlborough Avenue.
Montreal—Consul General of Switzerland, 1572 McGregor Street.
Toronto—Consul of Switzerland, 600 University Avenue.
Vancouver—Acting Consul of Switzerland, 402 West Pender Street.
Winnipeg—Acting Consul of Switzerland, 210 Mitchell-Copp Bldg., 334 Portage Avenue.

THAILAND

Toronto—Consul of Thailand, 200 Bay Street.
Vancouver—Consul of Thailand, 5416 Marguerite Street.

TURKEY

Ottawa—Turkish Embassy, 197 Wurtemberg Street.

UNION OF SOUTH AFRICA

Ottawa—Commercial Secretary, Office of the High Commissioner for the Union of South Africa, 15 Sussex Street.

UNION OF SOVIET SOCIALIST REPUBLICS

Ottawa—Representative of the Commercial Counsellor, Embassy of the USSR, 285 Charlotte Street.

UNITED KINGDOM

Ottawa—United Kingdom Senior Trade Commissioner and Economic Adviser to the High Commissioner, 56 Sparks Street.
Edmonton—United Kingdom Trade Commissioner for Alberta, 10053 Jasper Avenue.
Montreal—United Kingdom Trade Commissioner for Quebec, United Kingdom Trade Commissioner for the Maritimes and Newfoundland, 1111 Beaver Hall Hill.
Toronto—United Kingdom Trade Commissioner for Ontario, 67 Yonge Street.
Vancouver—United Kingdom Trade Commissioner for British Columbia, 850 West Hastings Street.
Winnipeg—United Kingdom Trade Commissioner for Manitoba and Saskatchewan, 403 Royal Bank Building.

UNITED STATES

Ottawa—Commercial Attaché, Embassy of the United States, 100 Wellington Street.
Calgary—Consul of the United States, Toronto General Trusts Bldg.
Edmonton—Consul of the United States, 214 Empire Block.
Halifax—Consul General of the United States, Bank of Nova Scotia Bldg.
Montreal—Consul General of the United States, 1410 Stanley Street.
Niagara Falls—Consul of the United States, Newman Hill, Falls Street.
Quebec—Consul of the United States, 65 St. Ann Street.
Saint John—Consul of the United States, 204 Union Street.
St. John's—Consul General of the United States, King's Bridge Road.
Toronto—Consul General of the United States, 360 University Avenue.
Vancouver—Consul General of the United States, 355 Burrard Street.
Windsor—Consul of the United States, Guaranty Trust Bldg.
Winnipeg—Consul General of the United States, 402 Tribune Bldg.

URUGUAY

Ottawa—Chargé d'Affaires a.i., Legation of Uruguay, Room 726, Chateau Laurier.

VENEZUELA

Ottawa—Commercial Counsellor, Embassy of Venezuela, Room 613, Chateau Laurier.
Montreal—Consul General of Venezuela, 2052 St. Catherine Street West.
Vancouver—Vice Consul of Venezuela, 200-603 West Hastings Street.

YUGOSLAVIA

Ottawa—Embassy of the Federal People's Republic of Yugoslavia, 17 Blackburn Avenue.
Toronto—Consul General of the FPR of Yugoslavia, 454 Spadina Avenue, Suite 202.

The following nominal quotations may prove useful in checking prices. Canadian traders should consult their banks before making any firm commitments.

Conversions into Canadian dollars have been made at cross rates with sterling or the United States dollar on the date shown.

Except when buying and selling rates are specified, the mid rates only are quoted. The buying rate is that at which banks purchase exchange from exporters. The selling rate is that at which banks sell exchange to importers.

When several rates are indicated, the rate applicable depends on the commodity traded. Information on the rate for any specific commodity may be obtained from the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

Rates used exclusively in non-merchandise trading are *not* included in the table.

For conversion to United States dollar equivalents multiply by 1·02597.

foreign exchange rates

Country	Unit	Type of Exchange	Canadian dollar equiv. July 9	Notes (See below)
Argentina	Peso	Preferential buying	·1299	
		Basic buying	·1949	
		Preferential selling	·1949	(1)
		Basic selling	·1299	
		Free	·07016	
Austria	Schilling		·03749	
Australia	Pound		2·1975	
Belgium Luxembourg & Belgian Dependencies	Franc		·01954	
Bolivia	Boliviano	Official	·00513	
British West Indies	Dollar		·5723	(3)
	Pound		2·7469	(4)
	Dollar	Brit. Honduras	·6867	
Brazil	Cruzeiro	Official selling	·05179	tax 8%
		Effective buying	·03437	(2)
		Coffee buying	·04172	(5)
Burma	Kyat		·2047	
Ceylon	Rupee		·2060	
Chile	Peso	Official	·00886	(1)
Colombia	Peso	Basic	·3899	
Costa Rica	Colon	Official	·1736	(6)
		Controlled free	·1468	
Cuba	Peso		·9747	tax 2%
Czechoslovakia	Koruna		·1354	
Denmark	Krone		·1411	
Dominican Republic	Peso		·9747	
Ecuador	Sucre	Official	·06498	
		Free	·05618	
Egypt	Pound		2·7989	
Fiji	Pound		2·4747	
Finland	Markka		·00424	
France	Franc		·00279	(7)
French Africa	Franc		·00557	(8)
French Pacific	Franc		·01533	(9)
Germany	D Mark		·2321	
Greece	Drachma		·03249	
Guatemala	Quetzal		·9747	
Haiti	Gourde		·1949	
Honduras	Lempira		·4873	
Hong Kong	Dollar	Free	·1694	*June 25
Iceland	Krona	Official	·05985	
		Special buying	·04608	
		Special selling	·03713	
India	Rupee		·2060	
Indonesia	Rupiah	Basic	·08550	(10)
Iran	Rial	Certificate	·01080	
Iraq	Dinar		2·7291	

* Latest available quotation date.

Country	Unit	Type of Exchange	Canadian dollar equiv. July 9	Notes (See below)
Ireland	Pound		2·7469	
Israel	Pound	Official	·9747	
		Premium	·5415	
Italy	Lira		·00156	
Japan	Yen		·00271	
Lebanon	Pound	Free	·3044	
Mexico	Peso		·07798	
Netherlands	Guilder		·2575	
Netherlands Antilles	Guilder		·5168	
New Zealand	Pound		2·7469	
Nicaragua	Cordoba	Effective buying	·1477	(11)
		Official selling	·1382	
		With Surcharge I	·1211	
		With Surcharge II	·09698	
Norway	Krone		·1365	
Pakistan	Rupee		·2946	
Panama	Balboa		·9747	
Paraguay	Guarani	Basic	·06498	
		With Surcharge I	·04641	(1)
		With Surcharge II	·03249	(12)
Peru	Sol	Certificate	·05001	
Philippines	Peso		·4873	tax 17% (2)
Portugal	Escudo		·03402	(13)
El Salvador	Colon		·3899	
Singapore & Malaya	Straits dollar		·3205	
South Africa (Union of)	Pound		2·7469	
Spain & Dependencies	Peseta	Basic buying	·04451	
		Basic selling	·08687	
		Basic commercial selling	·05934	(1)
		Free	·02502	
Sweden	Krona		·1884	
Switzerland	Franc		·2274	
Syria	Pound	Free	·2274	*June 15
Thailand	Baht	Official	·07798	(1)
		Free	·04716	*June 4
Turkey	Lira		·3481	
United Kingdom	Pound		2·7469	
United States	Dollar		·9747	
Uruguay	Peso	Official	·6417	
		Basic buying	·5476	
		Special buying	·4148	(1)
		Basic selling	·5130	
		Special selling	·3978	
Venezuela	Bolivar		·2910	(14)
Yugoslavia	Dinar		·00325	

* Latest available quotation date.

notes

1. Additional rates are in effect for specified goods.
2. Tax affects selling (import) rates only; certain essential imports exempt.
3. Barbados, Trinidad, Tobago, Leeward and Windward Is., Brit. Guiana.
4. Bahamas, Bermuda, Jamaica.
5. Brazil: Effective import rate is official rate plus free certificate rate. Certificate rate varies according to commodity.
6. Costa Rica: Official rate applies to all Costa Rican exports.
7. Metropolitan France, Algeria, Tunisia, Morocco, French Guiana, Guadeloupe, Martinique.
8. Equatorial Africa, West Africa, Cameroons, Togoland, Somaliland, Madagascar, Reunion, St. Pierre and Miquelon.
9. New Caledonia, New Hebrides, Oceania.
10. Indonesia: Basic rate applies to all exports and essential imports. Rupiah value for other than essential imports is reduced by 33⅓ per cent, 100 per cent or 200 per cent depending on product.
11. Nicaragua: Effective buying rate applies to all Nicaraguan exports.
12. Paraguay: Basic rate applies to most Paraguayan exports.
13. Approximately same rate for currencies of Portuguese Territories in Africa.
14. Venezuela: There are special rates for exports of petroleum, cocoa and coffee.

businessman's bookshelf

Canada's Tomorrow

Edited by George P. Gilmour. 324 pages. $3.50.

FIFTY YEARS FROM NOW, what will be the shape of Canada? It will be a country of about 30 million people, where natural resources are conserved but not hoarded, where opportunity and security hold equal place. It will be a country where the study of the social sciences has been pushed forward, and made the basis on which community and even individual development rests. It will be an economy in which private enterprise and government have achieved an harmonious, complementary relationship, where cultural evolution has gone forward, where the educator has achieved a new stature. Canada will be a nation ready to dispatch some of its best business brains abroad to help the development of less favoured countries.

Such, in part, was the picture that emerged when the Canadian Westinghouse Company invited authorities from many branches of Canadian life to speak last fall at its conference on "Canada's Tomorrow". In celebrating in this way its 50th birthday the company helped to turn the gaze of thoughtful men and women towards the next five decades. Here is the record of what these well known Canadians saw as they summoned up the shape of things to come. The reader may not agree with all their prophecies, but he cannot fail to find the book stimulating.

Order from: The Macmillan Co. of Canada Ltd., 70 Bond Street, Toronto, Ontario.

An Economic Survey of South Africa—1954

Edited by Alan Gray. 68 pages. 1 shilling.

EXPERTS IN EVERY ASPECT of the South African economy present this comprehensive picture of postwar economic progress in the Union. Developments in mining, agriculture, fisheries, utilities, and heavy and secondary industries are outlined, as well as the opportunities for further advance. Foreign investors interested in taking part in the spectacular growth should study the article on "South Africa's Exemplary Public Record".

Canadians transacting business in this area should find this publication of value; so will investors who seek fields outside of Canada.

Order from: Publishers—"South Africa", Salisbury House, London Wall, London E.C. 2.

Paraguay: a Riverside Nation

94 pages. $2.25.

Uruguay: South America's First Welfare State

93 pages. $2.50.

By George Pendle for the Royal Institute of International Affairs.

IT IS NOT ENOUGH for the exporter to know merely that he is selling in a certain market: he needs more detailed knowledge if he is to understand the problems of that market. These two little books provide the basic facts for such understanding: they cover in a short space the history and political background of each country and discuss the people and their occupations.

In 94 pages, plus useful appendices, Mr. Pendle tells in a straightforward way the simple but lively story of Paraguay and enables the reader to appreciate why this inland nation is a small, relatively under-developed, but nevertheless attractive market. In 93 pages he relates the development of Uruguay, the Switzerland of South America—so called not because of Alpine scenery but because it is one of the stable and progressive countries of Latin America and a modest but useful outlet for our goods. For the busy businessman these two books make rewarding reading. Bibliographies are included for those who wish to delve more deeply.

Order from: Oxford University Press, 480 University Avenue, Toronto, Ontario.